County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

December 22, 2009

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

9   DECEMBER 22, 2009

Sachi C. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California

Dear Supervisors:

AGREEMENT WITH SAS INSTITUTE INC. FOR DATA MINING SOLUTION FOR CHILD CARE FRAUD DETECTION (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

On January 6, 2009, your Board unanimously passed a motion directing the Chief Executive Office (CEO) to develop a strategy for the implementation of data mining technology to target fraud in the CalWORKs Stage 1 Child Care program. The Department of Public Social Services (DPSS) in collaboration with the CEO-Service Integration Branch (SIB) released a Request for Proposals (RFP) seeking a vendor to design, develop, and implement a data mining solution. As a result of the solicitation process, DPSS and CEO-SIB identified and selected SAS Institute Inc. (SAS) as the vendor to provide the Data Mining Solution (DMS) for Child Care Fraud Detection.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the attached agreement with SAS effective upon Board approval, for a term of two years (Initial Term) at a cost of $3,184,837. The Initial Term includes design, development, implementation, maintenance, and support services. The agreement includes up to two additional option years (Extended Term), at the County's discretion, at a cost of $499,518 and $452,882 per year respectively, for maintenance and support services. In addition, the agreement includes $93,700 in pool dollars for optional work. The maximum contract sum is $4,230,937; and

2. Delegate authority to the DPSS Director to exercise approval of the option years, pursuant to the provisions of the agreement, at a cost not to exceed $499,518 and $452,882 for the first and second option years respectively; authorize the expenditure of $93,700 in pool dollars allocated for the procurement of optional work; and execute the source code escrow agreement and any modifications, addenda, and amendments to the source code escrow agreement at no additional cost. The approval of County Counsel and the CEO will be obtained prior to executing such amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to allow DPSS to contract with SAS for the development, implementation, maintenance, and support of the DMS that will assist the County in the detection and prevention of fraudulent activities among individuals or groups participating in the County's Stage 1 Child Care Program for CalWORKs. Under the agreement, SAS will provide system development and implementation, system maintenance and technical support, training, and optional work in the form of professional services and system enhancements. The agreement also provides for a software license that will allow the CEO-SIB technical personnel with the requisite expertise to utilize the software tools licensed by SAS for County programs including CalWORKs.

Implementation of Strategic Planning Goals

The recommendation is consistent with the principles of County Strategic Plan Goal #1 (Operational Effectiveness) to provide the public with easy access to quality information and services that are both beneficial and responsive. In addition, this agreement is consistent with DPSS' objectives for increasing the efficiency and effectiveness of departmental programs through expanded information technology and communications and is included in the Department's Business Automation Plan (BAP).

FISCAL IMPACT/FINANCING

The total estimated cost for this agreement in Fiscal Year (FY) 2009-10 is $1,437,803. Funding for the agreement is included in the Department's FY 2009-10 Final Adopted Budget via the CalWORKs Single Allocation. Because there is a CalWORKs Maintenance of Effort (MOE) requirement, which will be met by the County, there is no additional net County cost (NCC).

The total estimated cost for this agreement for the remainder of the Initial Term is $1,747,034. The estimated cost of the two option years is $499,518 and $452,882 for the first and second years respectively. There is an allocation of $93,700 for optional work. All of these costs will be covered by the CalWORKs Single Allocation, with no additional NCC, for a total contract sum of $4,230,937.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

This agreement will become effective upon Board approval and will continue for the Initial Term of two years. At the end of the Initial Term, the agreement may be extended, at the County's sole discretion, for up to two additional option years. It is anticipated that system development and implementation, including all necessary training, will be completed during the first year of the agreement.

The agreement contains all applicable Board mandated provisions, including those pertaining to consideration of hiring qualified County employees targeted for layoffs, consideration of hiring qualified Greater Avenues for Independence-General Relief Opportunities for Work participants, contractor responsibility and debarment, defaulted property tax reduction program, County's quality assurance plan, recycled bond paper, and compliance with the Jury Service Ordinance, Safely Surrendered Baby Law, and the Child Support program. In addition, SAS is required to notify the County when the agreement term is within six months from expiration and when it has reached 75 percent of the authorized contract sum. DPSS has determined that this agreement is not subject to: (1) the Living Wage Ordinance, (2) the Local Small Business Enterprise Preference Program, or (3) the Transitional Job Opportunities Preference Program and, therefore, has not included provisions relating to these in the agreement.

The agreement also contains certain applicable information technology provisions to protect the County in the event of SAS' deficient performance and/or breach of warranties, including intellectual property indemnification, assessment of credits against maintenance for SAS' failure to correct deficiencies timely, and payment withholds. The County shall have ownership of the solutions and/or models developed by SAS specifically for the County under the agreement.

As a result of the negotiations and the business model utilized by SAS in providing the requisite work under the agreement, the parties agreed to the following deviations from the County standard or preferred agreement provisions:

1. Liquidated Damages – the County has agreed to delete the liquidated damages provision altogether in light of the fact that there is a ten percent holdback on all deliverables. In addition, SAS will still be subject to the assessment of credits by the County for failure to correct deficiencies timely as required in the agreement;

2. System Ownership and License – while the County will have ownership of the solutions and models developed by SAS under the agreement, the term of the license for SAS solution development software is for the life of the agreement. To ensure successful transition of the system following termination or expiration of the agreement, the County negotiated a two-year license grace period for the County to use SAS' software tools at no cost to the County;

3. Disclaimer of Warranties – the agreement provides for the industry standard disclaimer that limits the warranties to those specifically identified anywhere in the agreement;

4. Indemnification, Insurance, Performance Security, and Limitation of Liability – the County and SAS have agreed to minor revisions to the standard County provisions, all with the consent from the CEO's Risk Management Branch. Each party's liability under the agreement is capped at the maximum contract sum, with the exception of certain excluded acts leading to claims, such as intellectual property infringement, which are not subject to the cap; and

5. Most Favored Public Entity – because of the very specialized and unique nature of every one of SAS' projects, this provision has been deleted as inapplicable.

The agreement has been reviewed and approved as to form by County Counsel. The Chief Information Office (CIO) concurs with DPSS' and CEO-SIB's recommendations (see attached CIO Analysis). The CEO's Risk Management Branch has reviewed and concurs with the provisions relating to insurance and indemnification and any revisions made to such as a result of the negotiations.

CONTRACTING PROCESS

In response to your Board motion on January 6, 2009, DPSS released the DMS RFP on July 8, 2009, to solicit proposals from qualified vendors for the development, implementation, and maintenance of data mining technology to target fraud in the CalWORKs Stage One Child Care Program and establish a platform that can be leveraged to prevent and detect fraud in other public assistance programs.

The vendor community was notified of the RFP release by:

1) Posting the RFP solicitation document and contracting opportunity announcement on the County's "Doing Business with Us" website and the DPSS Contracting Portal;

2) Releasing a notice via electronic mail to 35 vendors; and

3) Advertising in various newspapers.

Vendor Selection Process:

Ten companies attended the Proposers' Conference that was conducted on July 15, 2009. By the solicitation deadline of August 20, 2009, only one vendor, SAS, submitted a proposal in response to the RFP. In keeping with standard procurement protocol, an Evaluation Committee consisting of DPSS staff from various divisions throughout the Department and CEO staff performed a detailed assessment and evaluation of SAS' proposal. It was determined by the Evaluation Committee that SAS met all the County's requirements and had the capability of providing all the required and proposed work.

The initial bid submitted by SAS was $4,673,331. The vendor granted a discount during contract negotiations, bringing the price to $4,137,237. The maximum agreement amount of $4,230,937 includes a contingency reserve fund of $93,700 for use at the County's discretion for optional work.

This agreement is not a Proposition A contract and is, therefore, not subject to the requirements of the Living Wage Program (County Code Chapter 2.201).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The use of the DMS for fraud detection and prevention is expected to result in new fraud referrals, early detection of fraud and increased efficiency, all leading to cost avoidance. As the use of the DMS is extended to other County public assistance programs beyond CalWORKs, the cost avoidance is expected to increase.

CONCLUSION

Upon your Board's approval, the Executive Officer, Board of Supervisors, is requested to return three original signed copies of the agreement and one adopted stamped Board letter to the Department of Public Social Services.

Respectfully submitted,

Reviewed by:

WILLIAM T FUJIOKA
Chief Executive Officer

RICHARD SANCHEZ
Chief Information Officer

WTF:JW:PLB
DS:JB:cvb

c: Acting County Counsel
Auditor-Controller
Executive Officer, Board of Supervisors
Director, Department of Public Social Services
Chair, Information Systems Commission
Director, Internal Services Department

Data Mining SAS Board Letter

CIO ANALYSIS
DATA MINING SOLUTION (DMS) CONTRACT WITH SAS INSTITUTE, INC.

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:
☒ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other - MSA

New/Revised Contract Term: Base Term: <u>2</u> Yrs. # of Option Yrs: <u>2</u>

Contract Components:
☒ Software ☒ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: <u>Michael J. Sylvester II, Director, Bureau of Contract and Technical Services</u>

Budget Information :

Y-T-D Project Expenditures	$ 0
Requested Project Amount	$4,230,937
Aggregate Project Amount	$4,230,937

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated? No.
☒	☐	Is this project subvented? Yes. 100% of the cost of the project will be offset using the Department's CALWORKS funds originating from the State of California.
☐	☒	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved. No.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan? Yes. The Department's Data Mining Solution supports County Strategic Plan Goal #1 (Operational Effectiveness) to provide the public with easy access to quality information and services that are both beneficial and responsive.
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan? Yes. The project is identified in the Department's FY 2009-10 Business Automation Plan.

Strategic Alignment, Continued

Yes	No	Question
☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions Document? Yes. The Department's Data Mining Solution complies with IT Directions document by conducting government electronically to improve the delivery of services.
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT Standards? Yes. The Department's data mining project utilizes SAS software which is used by several County departments.
☒	☐	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Chief Executive Office (CEO) is seeking your Board's approval for an Agreement with SAS Institute Inc. (SAS) for a term of two (2) years with two (2) option years for a maximum Agreement amount of $4,230,937 for the Data Mining Solution (DMS).

Pursuant to the Agreement, SAS will provide the following services for the DMS:

- Hosting environment for the Data Mining Solution System;
- Project administration services to maintain the hosting environment;
- System design, development and implementation for the predictive fraud models;
- System maintenance and operational support services; and
- Optional Work the County may request utilizing pool dollars.

Background:

In response to your Board Motion of May 29, 2007, DPSS and Chief Executive Office Services Integration Branch (CEO-SIB) conducted a pilot utilizing data mining technology for fraud detection and prevention. The pilot utilized SAS software and services and conducted an analysis using CalWORKs Stage 1 Child Care cases. SAS, a data mining software utilized CEO-SIB, was selected as the vendor for the pilot.

The pilot results validated the software's fraud analysis capability by successfully identifying cases with characteristics placing them at a high risk for fraud; and detecting cases showing significant anomalies and potential fraud rings and collusion activities.

Based on the success of the pilot, on January 6, 2009, your Board directed the CEO to develop a strategy for the implementation of data mining technology to detect and mitigate fraud in CalWORKs Stage 1 Child Care program. The DPSS in collaboration with the CEO-SIB issued a Request for Proposals (RFP) seeking a DMS for Child Care program fraud detection. DPSS and CEO-SIB identified and selected SAS to provide the DMS.

Project Justification/Benefits:

The DMS will provide DPPS increased capability to detect and prevent fraudulent activities among clients in the County's CalWORKs Stage 1 Child Care program. This increased detection of fraud will enable the DPSS to more effectively utilize program funds.

Project Metrics:

The DMS implementation has defined deliverables that will be carefully monitored by the DPSS to successful implementation and deploy the DMS.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

The DMS will introduce new data mining technology into the County for fraud detection. The new technology will enable the Department to make more efficient and effective use of its Child Care funds. The impact if the proposed DMS Agreement is not approved, DPSS will not be able to utilize this technology and strengthen its current fraud detection capabilities.

Alternatives Considered:

The vendor was selected via a competitive solicitation.

Project Risks:

The DMS has normal risks for system implementation. DPSS and CEO-SIB have mitigated these risks by providing executive sponsorship, stable project staffing, clear roles and responsibilities, full-time project management, and defined deliverables.

Risk Mitigation Measures:

The DMS project utilizes the risk mitigation measures described above and will continue to monitor these and other risks as implementation progresses.

Financial Analysis:

The total Agreement cost for the DMS is $4,230,937. Funding will be provided from the Department's public assistance funds from the State of California.

Description	Cost
System Implementation	$2,510,955
System Hosting & Maintenance	1,626,282
Optional Work	93,700
Total Price	$4,230,937

CIO Concerns:

None.

CIO Recommendations:
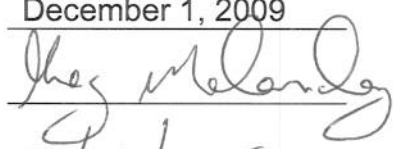
The CIO supports this action and recommends approval by the Board.

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CIO APPROVAL

</div>

Date Received: December 1, 2009

Prepared by: James Hall

Date: December 1, 2009

Approved:

Date: 12/22/2009

AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

SAS INSTITUTE INC.

Prepared By
Department of Public Social Services
Bureau of Contract and Technical Services
IT Contracts and Financial Management Section
12820 Crossroads Parkway South-West
City of Industry, CA 91746-3411

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EXHIBITS

AGREEMENT

BETWEEN

COUNTY OF LOS ANGELES

AND

SAS INSTITUTE INC.

FOR

DATA MINING SOLUTION (DMS)

FOR

CHILD CARE FRAUD DETECTION

This Agreement is made and entered into this ___22ND___ day of December, 2009, by and between the County of Los Angeles (hereinafter "County") and SAS Institute Inc. (hereinafter "Contractor"), a North Carolina corporation, with a principal place of business at 100 SAS Campus Drive, Cary, NC 27513.

RECITALS

WHEREAS, Contractor is qualified by reason of experience, preparation, equipment, organization and staffing to provide to County the Work contemplated by this Agreement; and

WHEREAS, County is authorized by California Government Code sections 26227 and 31000 to contract for good and services, including the Work contemplated herein; and

WHEREAS, County issued a Request for Proposals (RFP) for the provision and maintenance of the Data Mining Solutions; and

WHEREAS, Contractor has submitted a proposal to County for the provision and maintenance of the Data Mining Solution, based on which Contractor has been selected for recommendation for award of this Agreement.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein and for good and valuable consideration, County and Contractor agree to the following:

1.   **APPLICABLE DOCUMENTS AND DEFINITIONS**

1.1   INTERPRETATION

The provisions of this Agreement (hereinafter "Base Agreement"), along with Exhibits A, B, C, D, E, F, G, H, I, J, K, L M and N including all Attachments and Schedules thereto, attached hereto, and Exhibits O, P and Q, not attached hereto, all described in this Paragraph 1.1 below and incorporated herein by reference, collectively form and throughout and hereinafter are referred to as the "Agreement". In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule or the contents or description of any task, subtask, deliverable, goods, service or other Work, or otherwise, between this Base Agreement and the Exhibits, Attachments and Schedules or between the Exhibits, Attachments and Schedules, such conflict or inconsistency shall be resolved by

giving precedence first to this Base Agreement, and then to the Exhibits, Attachments and Schedules according to the following descending priority:

Exhibit A – Statement of Work

        Attachment A.1 – System Requirements

        Attachment A.2 – System Configuration

        Attachment A.3 – Acceptance Certificate

        Attachment A.4 – Glossary

Exhibit B – Schedule of Payments

        Schedule B.1 – Optional Work

Exhibit C – Project Schedule

Exhibit D – System Maintenance

        Schedule D.1 – County's Remote Access Policies

        Schedule D.2 – LA County Extranet IT Security Standards

        Schedule D.3 – IT Confidentiality and Acceptable Use Agreement

Exhibit E – Confidentiality and Assignment Agreement

Exhibit F – Contractor's EEO Certification

Exhibit G – Administration of Agreement

Exhibit H – Safely Surrendered Baby Law

Exhibit I – Charitable Contributions Certification

Exhibit J – Contractor Employee Jury Service

Exhibit K – Determinations of Contractor Non-Responsibility and Contractor Debarment Ordinance

Exhibit L – Listing of Contractors Debarred in Los Angeles County

Exhibit M – IRS Notice 1015

Exhibit N – Defaulted Property Tax Reduction Program

        Attachment 1 – Chapter 2.206 Defaulted Property Tax Reduction Program

        Attachment 2 – Proposer/Bidder/Contractor Certification of Compliance with the County's Defaulted Property Tax Reduction Program

Exhibit O – Source Code Escrow Agreement

Exhibit P – Request for Proposals

Exhibit Q – Proposal

As with respect to the Exhibits and the Attachments and Schedules attached thereto, precedence first shall be given to the Exhibits, and then to the associated Attachments or Schedules, as applicable.

In the event of any contradiction, conflict or inconsistency between prior statements of requirements and a later County approved Deliverable, the contradiction, conflict or inconsistency shall be resolved in favor of the latest County approved Deliverable, unless otherwise determined by County's Project Director.

1.2   ENTIRE AGREEMENT

This Base Agreement, together with the Recitals and all Exhibits, Attachments and Schedules (collectively referred to herein as "Agreement"), as further defined in Paragraph 1.1 (Interpretation) above, constitutes the complete and exclusive statement of understanding between the parties and supersedes all previous and contemporaneous agreements, whether written or oral, and any and all communications and negotiations between the parties relating to the subject matter of this Agreement.

1.3   DEFINITIONS

The terms and phrases in this Paragraph 1.3 in quotes and with initial letter capitalized, where applicable, shall have the meanings set forth below when used in this Agreement, throughout and hereafter.

1.3.1   ACCEPTANCE

As used herein, the term "Acceptance" shall mean County's written approval of any tasks, subtasks, deliverables, goods, services or other Work, including Acceptance Tests, provided by Contractor to County pursuant to this Agreement.

1.3.2   ACCEPTANCE CERTIFICATE

As used herein, the term "Acceptance Certificate" shall mean a County signed and approved Acceptance Certificate for all Work performed under this Agreement containing the requirements of Attachment A.3 (Acceptance Certificate), as further specified in Paragraph 2.4 (Approval of Work). After the Acceptance Certificate is fully executed, Contractor may invoice County for payment.

1.3.3   ADDITIONAL INTERFACES

As used herein, the term "Additional Interfaces" shall mean Interfaces and related Documentation, which Contractor may provide following Go-Live upon County's request therefor as Customizations in accordance with Paragraph 5.4.1 (Software Enhancements) and Subtask 10.1 (Provide Software Enhancements) of Exhibit A (Statement of Work), which will update Schedule B.1 (Optional Work). Once accepted and approved by County, Additional Interfaces shall become part of, and be deemed, System Software for the purpose of this Agreement.

1.3.4   ADDITIONAL SOFTWARE

As used herein, the term "Additional Software" shall mean those software modules and related Documentation, including licenses for additional software products and tools, third party software and any other software modules or tools, which Contractor may provide following Go-Live upon County's request therefor in accordance with Paragraph 5.4.1 (Software Enhancements) and Subtask 10.1 (Provide Software Enhancements) of Exhibit A (Statement of Work), which will update Schedule B.1 (Optional Work). Once accepted and approved by County, Additional Software shall become part of, and be deemed, System Software for the purpose of this Agreement.

1.3.5   ADDITIONAL TRAINING

As used herein, the term "Additional Training" shall mean the Training regarding the System, which Contractor may provide following Go-Live upon County's request therefor as Professional Services in accordance with Paragraph 5.4.2 (Professional Services) and Subtask 10.2 (Provide Professional Services) of Exhibit A (Statement of Work), which will update Schedule B.1 (Optional Work).

1.3.6   AGREEMENT

As used herein, the term "Agreement" shall be the Base Agreement, along with all Exhibits, Attachments and Schedules thereto, as executed between County and Contractor, setting forth all of the terms and conditions of the parties, as further specified in Paragraph 1.2 (Entire Agreement).

1.3.7   AMENDMENT

As used herein, the term "Amendment" shall have the meaning specified in Paragraph 4 (Changes to Agreement).

1.3.8   ANALYTICS MODELS

As used herein, the term "Analytics Models" shall mean all statistical models that incorporate predictive algorithms for fraud analysis.

1.3.9   ANALYTICS

As used herein, the term "Analytics" shall mean the analysis of current and historical data to predict future fraudulent behavior.

1.3.10   ANALYTICS TOOLS

As used herein, the term "Analytics Tools" shall mean the environment for descriptive and predictive modeling, text analysis, data mining forecasting, optimization, simulation and experimental design for the Data Mining Solution.

1.3.11   ANNUAL FEES

As used herein, the term "Annual Fee(s)" shall mean the annual fees to be paid by County to Contractor commencing upon first anniversary of the Effective Date and

shall include License Renewal Fees and Software Support Fees, as specified in Exhibit B (Schedule of Payments).

1.3.12 APPLICATION MODIFICATIONS

As used herein, the term "Application Modifications" shall mean Software Enhancements, Updates and any Replacement Product provided by Contractor to County under this Agreement. Once accepted and approved by County, Application Modifications shall become part of, and be deemed, System Software for the purpose of this Agreement.

1.3.13 APPLICATION SOFTWARE

As used herein, the term "Application Software" shall mean all Core Application and all Application Modifications accepted and approved by County, and related Documentation, provided by Contractor pursuant to this Agreement.

1.3.14 BACK-UP SERVER

As used herein, the term "Back-Up Server" shall mean Contractor's alternate System Hardware that shall contain all Data Mining Solution processing environments and all data necessary to support Users and the System in the event of System failure.

1.3.15 BACK-UP SERVER PLAN

As used herein, the term "Back-Up Server Plan" shall have the meaning specified in Section 2.3 (Business Continuity and Back-Up Server) of Exhibit D (System Maintenance).

1.3.16 BASE AGREEMENT

As used herein, the term "Base Agreement" shall have the meaning specified in Paragraph 1.1 (Interpretation) above.

1.3.17 BASELINE INTERFACES; PORTALS

As used herein, the terms "Baseline Interfaces" and "Portals" shall mean end-user interfaces, and related Documentation, provided by Contractor pursuant to this Agreement as part of the Core Application, which shall meet some or all of the System Requirements.

1.3.18 BASELINE SOFTWARE

As used herein, the term "Baseline Software" shall mean DQ&I Tools, Analytics Tools, Interface Tools, and related Documentation, provided by Contractor pursuant to this Agreement in order to meet the System Requirements.

1.3.19 BOARD OF SUPERVISORS; BOARD

As used herein, the terms "Board of Supervisors" and "Board" shall mean County's Board of Supervisors, which is the governing body of County.

1.3.20   BUSINESS DAY(S)

As used herein, the term "Business Day(s)", whether singular or plural, shall mean Monday through Friday, excluding County observed holidays, unless stated otherwise.

1.3.21   BUSINESS HOUR(S)

As used herein, the term "Business Hour(s)", whether singular or plural, shall mean 7:00 a.m. to 7:00 p.m. PT during Business Days.

1.3.22   CALWORKS

As used herein, the term "CalWORKs" shall mean the DPSS public assistance program that provides financial assistance and employment-focused services to families with minor children who have income and property below State limits for their family size.

1.3.23   CHIEF EXECUTIVE OFFICE; CEO

As used herein, the terms "Chief Executive Office" and "CEO" shall mean County's Chief Executive Office.

1.3.24   CHANGE NOTICE

As used herein, the term "Change Notice" shall have the meaning given to such term in Paragraph 4 (Changes to Agreement).

1.3.25   CHANGE ORDER

As used herein, the term "Change Order" shall mean the terms of any Optional Work agreed to by County and Contractor applicable to the provision of Software Enhancements and/or Professional Services by Contractor, as specified in Paragraph 5.4 (Optional Work) and Task 10 (Optional Work) of Exhibit A (Statement of Work).

1.3.26   COMPONENT(S)

As used herein, the term "Component(s)" shall mean, individually and collectively, each and every component of the System, including System Software, System Environment and System Data, irrespective of whether provided by County or Contractor.

1.3.27   CONFIDENTIAL INFORMATION

As used herein, the term "Confidential Information" shall mean any data or information, in any format, and includes sensitive financial information, any County Data and any other information otherwise deemed confidential by County or by applicable Federal, State or local law, as further specified in Paragraph 21 (Confidentiality and Security).

1.3.28   CONSULTING SERVICES

As used herein, the term "Consulting Services" shall mean Professional Services, which Contractor may provide following Go-Live upon County's request therefor in accordance with Paragraph 5.4.2 (Professional Services) and Subtask 10.2 (Provide Professional Services) of Exhibit A (Statement of Work), which will update Schedule B.1 (Optional Work).

1.3.29   CONTRACT SUM

As used herein, the term "Contract Sum" shall mean the total monetary amount payable by County to Contractor hereunder, as set forth in Paragraph 8.1 (Maximum Contract Sum). The Contract Sum shall not be adjusted for any costs or expenses whatsoever of Contractor.

1.3.30   CONTRACTOR

As used herein, the term "Contractor" shall have the meaning specified in the Recitals to the Agreement.

1.3.31   CONTRACTOR KEY PERSONNEL

As used herein, the term "Contractor Key Personnel" shall have the meaning specified in Paragraph 3.1 (Contractor Administration).

1.3.32   CONTRACTOR'S PROJECT DIRECTOR

As used herein, the term "Contractor's Project Director" shall have the meaning specified in Paragraph 3.2.1 (Contractor's Project Director).

1.3.33   CONTRACTOR'S PROJECT MANAGER

As used herein, the term "Contractor's Project Manager" shall have the meaning specified in Paragraph 3.2.2 (Contractor's Project Manager).

1.3.34   CORE APPLICATION

As used herein, the term "Core Application" shall mean software and other tools, including Baseline Software and System Solution, and related Documentation, provided by Contractor pursuant to this Agreement as part of the Application Software, which shall meet some or all of the System Requirements.

1.3.35   COUNTY

As used herein, the term "County" shall mean the County of Los Angeles, California.

1.3.36   COUNTY DATA

As used herein, the term "County Data" shall mean all data and information provided or owned by County, whether stored on-line or off-line, which will be used by Contractor for providing Work under this Agreement.

1.3.37   COUNTY HARDWARE

As used herein, the term "County Hardware" shall mean all County owned computers and other equipment that will be used in conjunction with any Contractor provided hardware as part of the System Environment for the provision of Work pursuant to this Agreement.

1.3.38   COUNTY KEY PERSONNEL

As used herein, the term "County Key Personnel" shall have the meaning specified in Paragraph 2.1 (County Administration).

1.3.39   COUNTY MATERIALS

As used herein, the term "County Materials" shall have the meaning specified in Paragraph 16.1 (County Materials).

1.3.40   COUNTY'S PROJECT ADMINISTRATOR

As used herein, the term "County's Project Administrator" shall have the meaning specified in Paragraph 2.2.1 (County's Project Administrator).

1.3.41   COUNTY'S PROJECT DIRECTOR

As used herein, the term "County's Project Director" shall have the meaning specified in Paragraph 2.2.2 (County's Project Director).

1.3.42   COUNTY'S PROJECT MANAGER

As used herein, the term "County's Project Manager" shall have the meaning specified in Paragraph 2.2.3 (County's Project Manager).

1.3.43   COUNTY'S TECHNICAL DIRECTOR

As used herein, the term "County's Technical Director" shall have the meaning specified in Paragraph 2.2.4 (County's Technical Director).

1.3.44   CUSTOMIZATIONS

As used herein, the term "Customizations" shall mean Solution Modifications and Additional Interfaces, and related Documentation, which Contractor may provide following Go-Live upon County's request therefor in the form of Optional Work in accordance with Paragraph 5.4.1 (Software Enhancements) and Subtask 10.1 (Provide Software Enhancements) of Exhibit A (Statement of Work).

1.3.45   DATA MINING SOLUTION; DMS

As used herein, the terms "Data Mining Solution" and "DMS" shall have the same meaning as System and shall include all System Data, System Environment and System Software, developed or provided by Contractor to County in accordance with the terms of this Agreement.

1.3.46   DATA QUALITY AND DATA INTEGRATION; DQ&I; DQ&I SOLUTION

As used herein, the terms "Data Quality and Data Integration", "DQ&I" and "DQ&I Solution" shall have the meaning specified in Subtask 4.2 (Develop Data Quality and Integration Solution) of Exhibit A (Statement of Work).

1.3.47   DQ&I TOOLS

As used herein, the term "DQ&I Tools" shall mean the environment for extracting, cleansing, transforming, conforming, aggregating, loading and managing data for the Data Mining Solution.

1.3.48   DATA REPOSITORY

As used herein, the term "Data Repository" shall mean a Data Warehouse that will provide all tools to extract, transform and load data into the Data Repository and to manage and retrieve metadata.

1.3.49   DATA WAREHOUSE

As used herein, the term "Data Warehouse" shall mean an implementation of an informational database used to store sharable data sourced from an operational database-of-record.

1.3.50   DAY(S)

As used herein, the term "day(s)", whether singular or plural, shall mean calendar day(s).

1.3.51   DEFICIENCY; DEFICIENCIES

As used herein, the term "Deficiency(ies)", whether singular or plural, shall mean and include any defect(s) in the design, development, implementation, materials and/or workmanship; error(s), omission(s) and/or deviation(s) from published and/or mutually agreed upon standards; deviation(s) from any of the requirements or any County approved deliverables or Specifications under the Agreement; and/or other problems which result in the System, or any System Component, not performing in compliance with the provisions of this Agreement, including, but not limited to, the Specifications, System Requirements and System Performance Requirements.

1.3.52   DEFICIENCY CREDITS

As used herein, the term "Deficiency Credits" shall mean credits or any other form of discount to be applied to the applicable Maintenance Fees for Contractor's failure to timely correct Deficiencies, as specified in Exhibit D (System Maintenance).

1.3.53   DELIVERABLE(S); deliverable(s)

As used herein, the terms "Deliverable(s)" and "deliverable(s)", whether singular or plural, shall mean items and/or services provided or to be provided by Contractor under this Agreement, including numbered Deliverable(s) in Exhibit A (Statement of Work).

1.3.54   DEPARTMENT; DPSS

As used herein, the terms "Department" and "DPSS" shall mean County's Department of Public Social Services.

1.3.55   DIRECTOR

As used herein, the term "Director" shall mean the director of DPSS.

1.3.56   DISABLING DEVICE

As used herein, the term "Disabling Device" shall have the meaning specified in Section 4.1 (General Warranties) of Exhibit D (System Maintenance).

1.3.57   DISPUTE RESOLUTION PROCEDURE

As used herein, the term "Dispute Resolution Procedure" shall mean the provisions of Paragraph 53 (Dispute Resolution Procedure) describing the procedure for resolving the disputes arising under or with respect to this Agreement.

1.3.58   DOCUMENTATION

As used herein, the term "Documentation" shall mean any and all written and electronic materials provided or made available by Contractor under this Agreement, including, but not limited to, documentation relating to software specifications and functions, training course materials, Specifications including System Requirements, technical manuals, handbooks, flow charts, technical information, reference materials, user manuals, operating manuals, quick reference guides, FAQs, and all other instructions and reference materials relating to the capabilities, operation, installation and use of the System and/or applicable Components.

1.3.59   DOWNTIME

As used herein, the term "Downtime" shall mean that period of time when the System or any System Component, due to any Deficiency, fails to function, and as a result, County is unable to utilize the System in accordance with the Specifications, including System Requirements and System Performance Requirements, and this Agreement, as further specified in Exhibit D (System Maintenance).

1.3.60   DUE DATE

As used herein, the term "Due Date" shall mean the due date for the completion of any Deliverable in the Project Schedule or any Change Order.

1.3.61   EFFECTIVE DATE

As used herein, the term "Effective Date" shall mean the date of execution of this Agreement by County and the authorized representative(s) of Contractor.

1.3.62   EXTRACT, TRANSFORM, LOAD; ETL

As used herein, the terms "Extract, Transform, Load" and "ETL" shall mean extracting data from outside sources, transforming it to operational needs and loading it into a Data Repository.

1.3.63   EXTENDED TERM

As used herein, the term "Extended Term" shall have the meaning specified in Paragraph 7.2 (Extended Term).

1.3.64   EXTERNAL DATA

As used herein, the term "External Data" shall mean Contractor provided data to be used in the Data Mining Solution, which is obtained from external sources, e.g. telephone company data records, geographic system information sources and other statistical reporting services.

1.3.65   FINAL ACCEPTANCE

As used herein, the term "Final Acceptance" shall mean County's written approval in accordance with the terms of this Agreement of Deliverable 6.2.2 (Final Acceptance) of Exhibit A (Statement of Work).

1.3.66   FIXED HOURLY RATE

As used herein, the term "Fixed Hourly Rate" shall mean the hourly rate, specified in Exhibit B (Schedule of Payments), for Professional Services, including Consulting Services, Additional Training and Customizations, which Contractor may provide following Go-Live upon County's request therefor in the form of Optional Work in accordance with Paragraph 5.4 (Optional Work) and Task 10 (Optional Work) of Exhibit A (Statement of Work).

1.3.67   GO-LIVE

As used herein, the term "Go-Live" shall mean County's approval of Deliverable 6.1 (System Production Use) of Exhibit A (Statement of Work).

1.3.68   HELP DESK

As used herein, the term "Help Desk" shall mean Contractor's help desk for providing Support Services hereunder, as specified in Exhibit D (System Maintenance).

1.3.69   IMPLEMENTATION COST

As used herein, the term "Implementation Cost" shall mean the fees for the License fees and the cost of System Implementation, as specified in Exhibit B (Schedule of Payments).

1.3.70   INITIAL TERM

As used herein, the term "Initial Term" shall have the meaning specified in Paragraph 7.1 (Initial Term).

1.3.71   INTERFACE TOOLS

As used herein, the term "Interface Tools" shall mean the environment for developing a single access point for aggregated information via an easy-to-use Web-based Interface.

1.3.72   INTERFACES

As used herein, the term "Interfaces" shall mean the set of software mechanisms, consisting of Baseline Interfaces and Additional Interfaces, which may be provided by Contractor under this Agreement, which allow the transfer of electronic data and/or software commands between computer systems, networks, applications or modules, and related Documentation.

1.3.73   KEY DELIVERABLE

As used herein, the term "Key Deliverable" shall mean a Deliverable marked on Exhibit C (Project Schedule) as "Key".

1.3.74   KNOWLEDGE TRANSFER

As used herein, the term "Knowledge Transfer" shall mean all information describing the DMS provided by Contractor to County, as further specified in Subtask 4.1 (Install and Configure System Software) of Exhibit A (Statement of Work).

1.3.75   LICENSE

As used herein, the term "License" shall have the meaning specified in Paragraph 10.2 (License).

1.3.76   LICENSE FEES

As used herein, the term "License Fee(s)" shall mean the fees for the License to be paid by County to Contractor over the period of System Implementation, as specified in Exhibit B (Schedule of Payments).

1.3.77   LICENSE RENEWAL FEES

As used herein, the term "License Renewal Fee(s)" shall mean the fees to be paid by County to Contractor for the renewal of the License commencing on the first anniversary of the Effective Date, as specified in Exhibit B (Schedule of Payments).

1.3.78   MAINTENANCE FEES

As used herein, the term "Maintenance Fee(s)" shall mean the applicable fees to be paid by County to Contractor for System Maintenance pursuant to Exhibit B (Schedule of Payments) and shall include any or all of the following: License Renewal Fees, Software Support Fees and/or System Support Fees.

1.3.79   MAINTENANCE SERVICES

As used herein, the term "Maintenance Services" shall have the meaning specified in Exhibit D (System Maintenance) and shall comprise part of System Maintenance provided by Contractor under this Agreement.

1.3.80   MAXIMUM FIXED PRICE

As used herein, the term "Maximum Fixed Price" shall mean the maximum amount to be paid by County to Contractor for any Optional Work approved by County to be provided by Contractor in accordance with Task 10 (Optional Work) of Exhibit A (Statement of Work).

1.3.81   OPTIONAL WORK

As used herein, the term "Optional Work" shall mean Software Enhancements and/or Professional Services, which may be provided by Contractor to County following Go-Live upon County's request and approval in accordance with Task 10 (Optional Work) of Exhibit A (Statement of Work) and identified appropriately in Schedule B.1 (Optional Work).

1.3.82   PARTICIPANT

As used herein, the term "Participant" shall mean an individual or family receiving public assistance benefits through the County (may also be known as a c*lient)*.

1.3.83   PERFORMANCE VERIFICATION TEST

As used herein, the term "Performance Verification Test" shall mean the System Test conducted in accordance with Subtask 6.2 (Conduct Performance Verification) of Exhibit A (Statement of Work).

1.3.84   PHASE 1

As used herein, the term "Phase 1" shall mean the initial stage of the Project limited only the CalWORKs Stage One Child Care program.

1.3.85   PHASE 2

As used herein, the term "Phase 2" shall mean the subsequent stage of the Project expanded to the DPSS programs beyond the CalWORKs program.

1.3.86   PILOT

As used herein, the term "Pilot" shall mean the pilot project implemented by Contractor to demonstrate the feasibility of using data mining platform to predict CalWORKs Stage One Child Care Program fraud.

1.3.87   POOL DOLLARS

As used herein, the term "Pool Dollars" shall mean the maximum amount allocated under this Agreement for the provision by Contractor of Optional Work, including

Software Enhancements and Professional Services approved by County in accordance with the terms of this Agreement.

1.3.88   PREDICTIVE DATA MINING MODEL; PREDICTIVE MODEL

As used herein, the terms "Predictive Data Mining Model" and "Predictive Model" shall mean and refer to taking data from the Data Repository and applying statistical and data mining algorithms to take a learning set of profiles and producing a statistical model. Predictive Models include linear models, logistic models, trees, neural networks, support vector machines and hybrid models.

1.3.89   PRODUCTION ENVIRONMENT

As used herein, the term "Production Environment" shall mean the System Environment set up by Contractor for Production Use of the System pursuant to Subtask 6.1 (Transition to Production Environment) of Exhibit A (Statement of Work).

1.3.90   PRODUCTION SERVER

As used herein, the terms "Production Server" shall mean the primary Contractor provided System Hardware used for all Work under this Agreement.

1.3.91   PRODUCTION USE

As used herein, the term "Production Use" shall mean the actual use of the System in the Production Environment on the Production Server for the performance of County's operations commencing from the point of Go-Live.

1.3.92   PROFESSIONAL SERVICES

As used herein, the term "Professional Services" shall mean Consulting Services, Additional Training and/or Customizations, which Contractor may provide following Go-Live upon County's request therefor in the form of Optional Work in accordance with Paragraph 5.4.2 (Professional Services) and Subtask 10.2 (Provide Professional Services) of Exhibit A (Statement of Work).

1.3.93   PROJECT

As used herein, the term "Project" shall mean DMS implementation, maintenance and support initially for the CalWORKs Stage One Child Care program under Phase 1 and/or Phase 2 (if this Agreement is amended pursuant to Paragraph 4.3 (Amendments) below to include Phase 2), and utilization of the System Software, including the Baseline Software, by Contractor or County for developing solutions or models for any County programs, as further specified in this Agreement and Exhibits A (Statement of Work) and D (System Maintenance), including the Transition License.

1.3.94   PROJECT CONTROL DOCUMENT; PCD

As used herein, the terms "Project Control Document" and "PCD" shall mean a detailed project plan for the implementation of the System provided by Contractor pursuant to Deliverable 1.1 (Project Control Document) of Exhibit A (Statement of Work), which shall serve as the basis for and appropriately update Exhibit C (Project Schedule).

1.3.95   PROJECT OFFICE

As used herein, the term "Project Office" shall have the meaning specified in Paragraph 3.7 (Contractor's Offices).

1.3.96   PROJECT SCHEDULE

As used herein, the term "Project Schedule" shall mean the agreed upon timeline for System Implementation Tasks, Subtasks and Deliverables specified in Exhibit A (Statement of Work), as identified as Exhibit C (Project Schedule).

1.3.97   PROPRIETARY RIGHTS

As used herein, the term "Proprietary Rights" shall mean all legal and equitable rights, including all copyrights, patent rights, trade secrets, trademarks, confidential and proprietary information rights, moral rights and all rights and title in and to the structure, sequence and organization of a work of authorship, and all rights in and to any code, materials, pictures, interfaces, screen displays and audio visual displays and presentations.

1.3.98   RELEASE CONDITION(S)

As used herein, the term "Release Condition(s)", whether singular or plural, shall have the meaning set forth in Paragraph 10.3.2 (Source Code Release Conditions).

1.3.99   REPLACEMENT PRODUCT

As used herein, the term "Replacement Product" shall have the meaning set forth in Paragraph 13.3 (Continuous Product Support).

1.3.100   RESOLUTION TIME

As used herein, the term "Resolution Time" shall mean the period of time from County's notification of a Deficiency to Contractor to its correction in accordance with Exhibit D (System Maintenance).

1.3.101   RESPONSE TIME

As used herein, the term "Response Time" shall mean the acceptable time period within which Contractor shall respond to County following County's report of any Deficiency, as set forth in Exhibit D (System Maintenance).

1.3.102   SCHEDULE OF PAYMENTS

As used herein, the term "Schedule of Payments" shall mean prices for Deliverables, rates and other fees identified as Exhibit B (Schedule of Payments) with all Schedules thereto.

1.3.103   SEVERITY LEVEL; SL

As used herein, the terms "Severity Level" and "SL" shall mean the problem severity levels for correction of Deficiencies, as specified in Exhibit D (System Maintenance).

1.3.104   SERVICE INTEGRATION BRANCH; SIB

As used herein, the terms "Service Integration Branch" and "SIB" shall mean Service Integration Branch of the CEO.

1.3.105   SOFTWARE ENHANCEMENTS

As used herein, the term "Software Enhancements" shall mean Customizations and/or Additional Software, including Solution Modifications and Additional Interfaces, which Contractor may provide following Go-Live upon County's request therefor in the form of Optional Work in accordance with Paragraph 5.6.1 (Software Enhancements) and Subtask 10.1 (Provide Software Enhancements) of Exhibit A (Statement of Work).

1.3.106   SOFTWARE SUPPORT FEES

As used herein, the term "Software Support Fee(s)" shall mean the annual fees to be paid by County to Contractor for System Maintenance regarding Application Software, as specified in Exhibit B (Schedule of Payments).

1.3.107   SOLUTION MODIFICATIONS

As used herein, the term "Solution Modifications" shall mean modifications to the Application Software, including System Solution, and related Documentation, which Contractor may provide following Go-Live upon County's request therefor as Customizations in accordance with Paragraph 5.4.1 (Software Enhancements) and Subtask 10.1 (Provide Software Enhancements) of Exhibit A (Statement of Work), which will update Schedule B.1 (Optional Work). Once accepted and approved by County, Solution Modifications shall become part of, and be deemed, System Software for the purpose of this Agreement.

1.3.108   SOURCE CODE

As used herein, the term "Source Code" shall mean the source code for Application Software, to the extent available, developed for or licensed to County under this Agreement by Contractor, including Core Application and Application Modifications, together with all Documentation and other proprietary information related to such source code.

1.3.109   SOURCE CODE ESCROW AGREEMENT

As used herein, the term "Source Code Escrow Agreement" shall mean an agreement between Contractor and a third party Source Code escrow agent, including all addenda, amendments and modifications thereto, for depositing the Source Code in accordance with Paragraph 10.3.1 (Source Code Escrow), incorporated herein by reference as Exhibit O (Source Code Escrow Agreement).

1.3.110   SPECIFICATIONS

As used herein, the term "Specifications" shall mean any or all of the following, as applicable:

1.   All specifications, requirements and standards set forth in Attachment A.1 (System Requirements) and all reports specifications included as Deliverables in Exhibit A (Statement of Work).

2.   All System Performance Requirements and standards set forth in this Agreement, including, but not limited to, requirements for System availability and System response time identified in Exhibit D (System Maintenance).

3.   The Documentation, to the extent not inconsistent with any of the foregoing in this definition.

4.   All specifications identified as such by Contractor, including, but not limited to, the Project Schedule and the Project Control Document, but only to the extent: (i) not inconsistent with any of the foregoing in this Paragraph; and (ii) acceptable to County in its sole discretion.

5.   All System Environment requirements and certifications provided by Contractor in accordance with this Agreement with respect to the System, including the System Environment configuration identified in Attachment A.2 (System Configuration).

6.   All written and/or electronic materials furnished by or through Contractor regarding the Application Software or the System, including functionality, features, capacity, availability, response times, accuracy or any other performance or other System criteria or any element of the System or any System Component.

1.3.111   STAGE ONE CHILD CARE PROGRAM

As used herein, the term "Stage One Child Care Program" shall mean a family's entry into the CalWORKs program that lasts 6 months.

1.3.112   STATE

As used herein, the term "State" shall mean the State of California.

1.3.113 STATEMENT OF WORK; SOW

As used herein, the terms "Statement of Work" and "SOW" shall mean the work to be provided by Contractor pursuant to this Agreement identified in terms of Tasks, Subtasks and Deliverables in Exhibit A (Statement of Work).

1.3.114 SUPPORT HOURS

As used herein, the term "Support Hours" shall have the meaning specified in Exhibit D (System Maintenance).

1.3.115 SUPPORT SERVICES

As used herein, the term "Support Services" shall have the meaning specified in Exhibit D (System Maintenance) and shall comprise part of System Maintenance provided by Contractor under this Agreement.

1.3.116 SYSTEM

As used herein, the term "System" shall mean all System Environment, System Data, Internet Services, System Software and Optional Work Components described in this Agreement and, as otherwise agreed to by County and Contractor, collectively comprising the Data Mining Solution or DMS. Reference to the System may include one or more components or modules thereof or the entire System.

1.3.117 SYSTEM ACCESS

As used herein, the term "System Access" shall mean access to the System during the hours of operation 24 hours per day, 7 days per week, 365/366 days per year.

1.3.118 SYSTEM AVAILABILITY

As used herein, the term "System Availability" shall mean the percentage of time during any month of System Maintenance when the System does not experience any Downtime and all System Components available to County.

1.3.119 SYSTEM DATA

As used herein, the term "System Data" shall mean all County Data and External Data, whether provided by County or Contractor during the term of this Agreement.

1.3.120 SYSTEM ENVIRONMENT

As used herein, the term "System Environment" shall mean System Hardware, System Network and Third Party Software components provided by Contractor in accordance with Contractor's specifications or by Contractor, as applicable, as set forth in Attachment A.2 (System Configuration).

1.3.121 SYSTEM HARDWARE

As used herein, the term "System Hardware" shall mean the Production Server, Back-Up Server and other equipment provided by Contractor for the System and performance of Work pursuant to this Agreement.

1.3.122   SYSTEM IMPLEMENTATION

As used herein, the term "System Implementation" shall mean System Environment installation, development of System Solution, Application Software deployment, Acceptance Tests, System Training and other work to be provided by Contractor pursuant to Exhibit A (Statement of Work) up to and including Final Acceptance.

1.3.123   SYSTEM INTEGRATION TEST

As used herein, the term "System Integration Test" shall mean the System Test conducted in accordance with Subtask 5.1 (Conduct System Integration Test) of Exhibit A (Statement of Work).

1.3.124   SYSTEM MAINTENANCE

As used herein, the term "System Maintenance" shall have the meaning specified in Paragraph 5.3 (System Maintenance).

1.3.125   SYSTEM NETWORK

As used herein, the term "System Network" shall mean the networking Component of System Environment as specified in Attachment A.2 (System Configuration).

1.3.126   SYSTEM PERFORMANCE DEFICIENCY

As used herein, the term "System Performance Deficiency" shall mean failure by the System to meet any of the System Performance Requirements as specified in Exhibit D (System Maintenance).

1.3.127   SYSTEM PERFORMANCE REQUIREMENTS

As used herein, the term "System Performance Requirements" shall mean the performance requirements for the System, including System Availability, System Response Time and Back-up Server Hosting as specified in Exhibit D (System Maintenance).

1.3.128   SYSTEM PERFORMANCE WARRANTY

As used herein, the term "System Performance Warranty" shall mean Contractor's warranty to meet System Performance Requirements as specified in Exhibit D (System Maintenance).

1.3.129   SYSTEM REQUIREMENTS

As used herein, the term "System Requirements" shall mean business, operational, technical and/or functional requirements relating to the operation or utilization of the System, as specified in Attachment A.1 (System Requirements).

1.3.130   SYSTEM RESPONSE TIME

As used herein, the term "System Response Time" shall mean the time elapsed from the entry of a query at a workstation to the time the workstation fully displays the

complete results, as may be further specified in Attachments A.1 (System Requirements) and Exhibit D (System Maintenance).

1.3.131   SYSTEM SOFTWARE

As used herein, the term "System Software" shall mean Application Software and any Third Party Software, and related Documentation, provided under this Agreement by Contractor in accordance with Contractor's specifications or by Contractor, as applicable, as further specified in Attachment A.2 (System Configuration).

1.3.132   SYSTEM SOLUTION

As used herein, the term "System Solution" shall mean and refer to any of the solutions developed or designed by Contractor for County pursuant to this Agreement as part of the Core Application and under any previous or other current agreements with County relating to or concerning the Pilot or the Project, including but not limited to the Delegated Authority Agreement for Adult Linkages Project between the County of Los Angeles and SAS Institute Inc., dated August 27, 2007 (DAA Number AO-07-056), and shall include DQ&I Solution, Analytics Models and Baseline Interfaces.

1.3.133   SYSTEM SUPPORT FEES

As used herein, the term "System Support Fee(s)" shall mean the monthly fees to be paid by County to Contractor for System Maintenance, as specified in Exhibit B (Schedule of Payments).

1.3.134   SYSTEM TEST

As used herein, the term "System Test" shall mean shall mean any of the tests conducted by County or Contractor, as applicable, under Exhibit A (Statement of Work), including but not limited to System Integration Test, User Acceptance Test and Performance Verification Test, as described in Paragraph 11.1 (System Tests).

1.3.135   SYSTEM TRAINING

As used herein, the term "System Training" shall mean the Training, including on-line training and on-site train-the-trainer sessions, to be provided by Contractor pursuant to Task 7 (Training) of Exhibit A (Statement of Work) and as otherwise required for System Implementation.

1.3.136   TASK; task; SUBTASK; subtask

As used herein, the terms "Task", "task", "Subtask" and "subtask", whether singular or plural, shall mean one of the areas of work to be performed under this Agreement, including those identified as numbered Tasks and Subtasks in Exhibit A (Statement of Work).

1.3.137   TEST ENVIRONMENT

As used herein, the term "Test Environment" shall mean the non-production System Environment set up by Contractor pursuant to Task 3 (System Setup) of Exhibit A (Statement of Work) for Application Software implementation, System Tests and System Training.

1.3.138   TEST PLAN

As used herein, the term "Test Plan" shall mean a plan for conducting any of the System Tests, as further specified in Task 5 (System Testing) of Exhibit A (Statement of Work).

1.3.139   THIRD PARTY SOFTWARE

As used herein, the term "Third Party Software" shall mean any third party software and/or tools, and related Documentation, provided by Contractor pursuant to this Agreement as part of the Application Software in order to meet the System Requirements.

1.3.140   TRAINING

As used herein, the term "Training" shall mean training relating to the System to be provided by Contractor pursuant to this Agreement, including initial System Training and Additional Training County may acquire in the future as part of Professional Services.

1.3.141   TRANSITION LICENSE

As used herein, the term "Transition License" shall mean the License to Application Software granted by Contractor to County following termination or expiration of this Agreement, as further specified in Paragraph 10.2.3 (Scope of License).

1.3.142   TRANSITION PERIOD

As used herein, the term "Transition Period" shall have the meaning specified in Paragraph 10.2.2 (License Term).

1.3.143   TRANSITION PLAN; DMS TRANSITION PLAN

As used herein, the terms "Transition Plan" and "DMS Transition Plan" shall have the meaning specified in Subtask 9.3 (Provide DMS Transition) of Exhibit A (Statement of Work).

1.3.144   TRANSITION SUPPORT; DMS TRANSITION SUPPORT

As used herein, the terms "Transition Support" and "DMS Transition Support" shall have the meaning specified in Subtask 9.3.2(Provide DMS Transition Support) of Exhibit A (Statement of Work).

1.3.145   UPDATE(S)

As used herein, the term "Update(s)", whether singular or plural, shall mean and include any additions to and/or replacements to the Application Software, available or made available subsequent to Final Acceptance, and shall include all Application Software performance and functionality enhancement releases, new Version Releases, System Software upgrades, improvements, interim updates, including fixes and patches, Deficiency corrections, and modifications to the Application Software, including those required for the System Software to remain in compliance with applicable Federal and State laws and regulations and the terms of this Agreement, provided by Contractor in accordance with Exhibit D (System Maintenance), with all Schedules thereto.

1.3.146   USER(S); USER(S)

As used herein, the terms "User(s)" and "user(s)", whether singular or plural, shall mean any person or entity authorized by County, whether by SIB or DPSS, to access or use the System pursuant to this Agreement.

1.3.147   USER ACCEPTANCE TEST

As used herein, the term "User Acceptance Test" shall mean the System Test conducted in accordance with Subtask 5.2 (Conduct User Acceptance Test) of Exhibit A (Statement of Work).

1.3.148   VERSION RELEASE

As used herein, the term "Version Release" shall mean Contractor's Application Software major version upgrade which contains new software functionalities and features and/or system compatibilities, including any Replacement Product.

1.3.149   WARRANTIES

As used herein, the term "Warranties" shall mean the warranties regarding Contractor's performance under the Agreement, including the System, as specified in Exhibit D (System Maintenance).

1.3.150   WARRANTY PERIOD

As used herein, the term "Warranty Period" shall have the meaning set forth in Paragraph 13.1 (System Warranties).

1.3.151   WEB SERVICES

As used herein, the terms "Web Services" and "Web" shall mean a software system designed to support interoperable computer interactions over a network.

1.3.152   WEB-SERVER HOSTING

As used herein, the term "Web-Server Hosting" shall mean System operation at a physical location that houses the dedicated servers, hardware and networks for the

DMS Project and provides direct Web access to the internet, as further specified in Subtask 1.4 (Provide Web-Server Hosting) of Exhibit A (Statement of Work).

1.3.153 WORK

As used herein, the term "Work" shall mean any and all tasks, subtasks, deliverables, goods, services and other work provided, or to be provided, by or on behalf of Contractor pursuant to this Agreement, including System Components, System Implementation services, System Maintenance and Optional Work.

1.3.154 WORK PRODUCT

As used herein, the term "Work Product" shall have the meaning set forth in Paragraph 10.1.5 (Work Product).

2. ADMINISTRATION OF AGREEMENT – COUNTY

2.1 COUNTY ADMINISTRATION

All persons administering this Agreement on behalf of County and listed in this Paragraph 1.3.1 below (hereinafter "County Key Personnel") are listed in Section I (County Key Personnel) of Exhibit G (Administration of Agreement). Unless otherwise specified, reference to each of the persons listed in such Section I (County Key Personnel) of Exhibit G (Administration of Agreement) shall also include his/her designee. County will notify Contractor in writing of any change in the names and/or addresses of County Key Personnel.

No member of County Key Personnel is authorized to make any changes in any of the terms and conditions of this Agreement other than those specifically authorized under Paragraph 4 (Changes to Agreement).

2.2 COUNTY KEY PERSONNEL

2.2.1 COUNTY'S PROJECT ADMINISTRATOR

County's Project Administrator will be responsible for ensuring that the objectives of this Agreement are met and shall monitor Contractor's compliance with the terms and conditions of this Agreement. County's Project Administrator will also be responsible for monitoring Contractor's performance under the Agreement and for ensuring the support, planning, documentation, time recording, cost monitoring, budget, billing, evaluation and performance indicators are met.

2.2.2 COUNTY'S PROJECT DIRECTOR

County's Project Director will be responsible for ensuring that the objectives of this Agreement are met. County's Project Director will have the right at all times to inspect any and Work provided by or on behalf of Contractor.

2.2.3   COUNTY'S PROJECT MANAGER

County's Project Manager will be responsible for ensuring that the technical, business and operational standards and requirements of this Agreement are met. County's Project Manager will interface with Contractor's Project Manager on a regular basis. County's Project Manager will report to County's Project Director regarding Contractor's performance with respect to technical standards and functional performance.

2.2.4   COUNTY'S TECHNICAL DIRECTOR

County's Technical Director will be responsible for ensuring that the System Solution, which consists of the Data Quality and Integration, Analytics Models and Baseline Interface (Portals), is designed, developed and implemented to meet System Requirements set forth in Attachment A.1 (System Requirements) and other Specifications under this Agreement. County's Technical Director will interface with Contractor's Project Manager on a regular basis. County's Technical Director will report to County's Project Director regarding Contractor's performance with respect to technical standards and System performance.

2.3   COUNTY PERSONNEL

All County personnel assigned to this Agreement shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County. Contractor hereby represents that its price, Project Schedule and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

2.4   APPROVAL OF WORK

All Tasks, Subtasks, Deliverables, including Key Deliverables, and other Work provided by Contractor under this Agreement must have the written approval of County's Project Director as described in this Paragraph 2.4. Upon completion of each Deliverable, Contractor shall fully complete a Task Deliverable Acceptance Certificate (hereinafter "Acceptance Certificate"), as set forth in Attachment A.3 (Acceptance Certificate), submit it to County's Project Manager for his/her review, approval and signature. In the event that County's Project Manager approves such Acceptance Certificate and the Work described therein, County's Project Manager will then sign such Acceptance Certificate and forward it to County's Project Director for his/her review, approval and signature. Each Acceptance Certificate must have the approval of County's Project Director, as evidenced by County's Project Director's signature on the applicable Acceptance Certificate before Contractor can invoice for payment. In no event shall County be liable or responsible for any payment prior to such written approval. Furthermore, County reserves the right to reject any Work not approved by County in accordance with this Paragraph 2.4.

3.   ADMINISTRATION OF AGREEMENT – CONTRACTOR

3.1   <u>CONTRACTOR ADMINISTRATION</u>

All persons administering this Agreement on behalf of Contractor and listed in this Paragraph 3 below (hereinafter "Contractor Key Personnel") are listed in Section II (Contractor Key Personnel) of Exhibit G (Administration of Agreement). All staff employed by and/or behalf of Contractor, including the persons listed in such Section II (Contractor Key Personnel) of Exhibit G (Administration of Agreement), shall be adults who are fully fluent in both spoken and written English. Contractor shall notify County in writing of any change in the names and/or addresses of Contractor Key Personnel.

3.2   <u>CONTRACTOR KEY PERSONNEL</u>

3.2.1   <u>CONTRACTOR'S PROJECT DIRECTOR</u>

Contractor's Project Director shall be responsible for Contractor's performance of all its tasks, subtasks and other Work and ensuring Contractor's compliance with this Agreement. Contractor's Project Director shall meet and confer with County's Project Director on a regular basis, at least monthly, to review project progress and discuss project coordination. Such meetings shall be conducted via teleconference or at a time and place agreed to by County's Project Director and Contractor's Project Director.

3.2.2   <u>CONTRACTOR'S PROJECT MANAGER</u>

Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement and for reporting to County in the manner set forth in Paragraph 3.8 (Reports by Contractor). Contractor's Project Manager shall interface with County's Project Manager on a regular basis and shall be available during Business Days for telephone contact and/or to meet with County personnel regarding the operation of this Agreement, as required by County's Project Director.

3.3   <u>APPROVAL OF CONTRACTOR'S STAFF</u>

3.3.1   County has the right to review each member or proposed member of Contractor's staff performing work under this Agreement, including, but not limited to, Contractor Key Personnel, prior to and during their performance of any work hereunder. County's Project Director may request replacement of any member of Contractor's staff performing, or offering to perform, work hereunder, including, but not limited to, Contractor Key Personnel, by providing in writing a reasonable request for such removal. Contractor shall provide County with a resume of each such proposed initial staff member, including, but not limited to, Contractor Key Personnel, and proposed replacement prior to his/her performance of any Work hereunder. Contractor shall have thirty (30) days from the date of County's written request to replace such staff.

3.3.2	In addition, Contractor shall use best efforts to ensure continuity over time of the membership of the group constituting Contractor's staff, including, but not limited to, Contractor Key Personnel. If necessary, Contractor shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.

3.3.3	In fulfillment of its responsibilities under this Agreement, Contractor shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, tasks and subtasks required by this Agreement. Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner.

3.3.4	In the event Contractor should ever need to remove any staff from performing work under this Agreement, Contractor shall provide County with notice at least fifteen (15) days in advance, except in circumstances in which such notice is not possible, and shall work with County on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.

3.4	RULES AND REGULATIONS

3.4.1	During the time when Contractor's employees, subcontractors or agents are at County facilities, such persons shall be subject to the applicable rules and regulations of County facilities. It is the responsibility of Contractor to acquaint such persons, who are to provide Work, with such rules and regulations. In the event that County determines that an employee, subcontractor or agent of Contractor has violated any applicable rule or regulation, County shall notify Contractor, and Contractor shall undertake such remedial or disciplinary measures as Contractor determines appropriate. If the problem is not thereby corrected, then Contractor shall permanently withdraw its employee, subcontractor or agent from the provision of Work upon receipt of written notice from County that: (i) such employee, subcontractor or agent has violated such rules or regulations; or (ii) such employee's, subcontractor's or agent's actions, while on County premises, indicate that the employee, subcontractor or agent may adversely affect the provision of Work. Upon removal of any employee, subcontractor or agent, Contractor shall immediately replace the employee, subcontractor or agent and continue uninterrupted Work hereunder.

3.4.2	All Contractor employees who are receiving public assistance shall meet their reporting responsibilities to County. All of Contractor's employees shall maintain the confidentiality of all records obtained from County under the Agreement in accordance with all applicable County, State and federal laws, ordinances, regulations and directives relating to confidentiality, under state law, including without limitations, Welfare & Institutions Code, Section 10850 et seq. Further, such Contractor's employees shall not have any access to County's records of friends, relatives, business relations, personal acquaintances, tenants, or any other individuals whose relationship could reasonably influence his conduct or performance on the job. Limiting access to these records includes, not allowing individuals access to

information that could be used to determine eligibility for public assistance. Further, Contractor's employees shall not be able to transmit computer data, nor be able to obtain physical possession of case documents.

3.5   CONTRACTOR'S STAFF IDENTIFICATION

3.5.1   Contractor, at Contractor's cost, shall provide all staff assigned to this Agreement a visible photo identification badge in accordance with County specifications. Identification badge specifications may change at the sole discretion of County, and Contractor will be provided new specifications as required. The format and content of the badge is subject to County's approval prior to Contractor implementing the use of the badge. Contractor's staff, while on duty or when entering a County facility or its grounds, shall prominently display the photo identification badge on the upper part of the body.

3.5.2   Contractor shall notify County within one (1) Business Day when staff is terminated from work under this Agreement. Contractor is responsible to retrieve and immediately destroy the staff's County-specified photo identification badge at the time of removal from Work under this Agreement.

3.5.3   If County requests the removal of Contractor's staff, Contractor is responsible to retrieve and immediately destroy Contractor staff's County photo identification badge at the time of removal from work under this Agreement.

3.6   BACKGROUND AND SECURITY INVESTIGATIONS

3.6.1   All Contractor staff performing Work under this Agreement shall undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing Work under this Agreement. Contractor may conduct its own background checks, provided that they comply with County's requirements, as acknowledged by County's Project Manager or designee. County acknowledges that Contractor has provided information detailing Contractor's background check procedures and that the same are acceptable hereunder. If Contractor's procedures for background checks materially change, Contractor shall provide County with revised procedures for County's acceptance and acknowledgment thereof. All fees associated with obtaining the background information, in addition to the background checks conducted by Contractor to County's satisfaction, shall be borne by County.

3.6.2   County may immediately, in its sole discretion, deny or terminate facility access to any Contractor's staff, including subcontractor staff, who do not pass such background investigation(s) to the satisfaction of County and/or whose background or conduct is incompatible with County's facility access.

3.6.3   Disqualification, if any, of Contractor's staff, including subcontractor staff, pursuant to this Paragraph 3.6 shall not relieve Contractor of its obligation to complete all Work in accordance with the terms and conditions of this Agreement.

3.7   CONTRACTOR'S OFFICES

Contractor shall establish and maintain throughout the term of this Agreement a Project Office in accordance with Subtask 1.3 (Establish Project Office) of Exhibit A (Statement of Work), which shall be located within Los Angeles County. Contractor shall provide necessary hardware, software and other equipment for the Project Office. Contractor shall notify in writing County's Project Director identified in Section I (County Key Personnel) of Exhibit G (Administration of Agreement) of any change in its business address at least ten (10) Business Days prior to the effective date thereof.

3.8   REPORTS BY CONTRACTOR

In addition to any reports required elsewhere pursuant to this Agreement, in order to control expenditures and to ensure the reporting of all Work provided by Contractor, Contractor shall provide to County's Project Manager as frequently as requested by County's Project Manager, but in no event more frequently than weekly, written reports which shall include, at a minimum, the following information:

1.   Period covered by the report;

2.   Overview of the reporting period;

3.   Tasks, subtasks, deliverables, goods, services and other Work scheduled for the reporting period which were completed;

4.   Tasks, subtasks, deliverables, goods, services and other Work scheduled the reporting period which were not completed;

5.   Tasks, subtasks, deliverables, goods, services and other Work not scheduled for but completed in the reporting period.

6.   Tasks, subtasks, deliverables, goods, services and other Work scheduled to be completed in the next reporting period;

7.   Issues resolved and to be resolved;

8.   Summary of project status as of reporting date;

9.   Updated Key Deliverable chart; and

10.   Any other information which County may from time-to-time require.

4.   CHANGES TO AGREEMENT

4.1   GENERAL

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph 4. County reserves the right to change any portion of the Work required under this Agreement and to any other provisions of this Agreement. All such changes shall be accomplished only as provided in this Paragraph 4.

4.2   CHANGE NOTICES

For any change requested by County which does not affect the scope of Work, term, payments, or any term or condition of this Agreement, including expenditure of Pool Dollars, a written notice of such change (hereinafter "Change Notice") shall be prepared and executed by County's Project Director.

4.3   AMENDMENTS

Except as otherwise provided in this Agreement, for any change requested by County which affects the scope of Work, term, payments, or any term or condition included in this Agreement, a negotiated written Amendment to this Agreement shall be prepared and executed by each of County's Board of Supervisor's and Contractor's authorized representative. Notwithstanding the foregoing, the Director is specifically authorized to execute a negotiated written Amendment to this Agreement on behalf of County upon County's election to extend the scope of this Agreement beyond Phase 1 into Phase 2 based on the terms negotiated herein and in such Amendment.

4.4   PROJECT SCHEDULE

As a result of completion of Deliverable 1.1 (Project Control Document) of Exhibit A (Statement of Work), a Project Schedule will be derived for the Work relating to System Implementation as described in Exhibit A (Statement Work), which shall update Exhibit C (Project Schedule). Changes to the Project Schedule shall be made upon mutual agreement, in writing, by County's Project Director and Contractor's Project Director by Change Notice or otherwise, provided that County's Project Director's and Contractor's Project Director's agreement to alter the Project Schedule shall not prejudice either party's right to claim that such alterations constitute an Amendment to this Agreement that shall be governed by the terms of Paragraph 4.3 (Amendments) above.

4.5   EXTENSIONS OF TIME

Notwithstanding any other provision of this Paragraph 4, to the extent that extensions of time for Contractor performance do not impact either the scope of Work or cost of this Agreement, County's Project Director, in his/her sole discretion, may grant Contractor extensions of time in writing for the work listed in the applicable sequentially numbered Exhibit C (Project Schedule), provided such extensions shall not exceed a total of six (6) months beyond Final Acceptance.

4.6   BOARD ORDERS

Notwithstanding any other provision of this Paragraph 4 or Paragraph 23 (Termination for Convenience), Director shall take all appropriate action to carry out any orders of County's Board of Supervisors relating to this Agreement, which directly impact the System or the budget allocated the System or the Agreement, and, for this purpose, Director is authorized to: (i) issue written notice(s) of partial or total termination of this Agreement pursuant to Paragraph 23 (Termination for Convenience) without further action by County's Board of Supervisors and/or (ii) prepare and execute Amendment(s) to this Agreement, which shall reduce the scope

of Work and the Contract Sum without further action by County's Board of Supervisors.

4.6.1   Such notices of partial or total termination shall be authorized under the following conditions:

1.   Notices shall be in compliance with all applicable Federal, State and County laws, rules, regulations and ordinances, and publicly known guidelines and directives.

2.   Director shall obtain the approval of County Counsel for any notice.

3.   Director shall file a copy of all notices with the Executive Office of County's Board of Supervisors and County's Chief Executive Office within thirty (30) days after execution of each notice.

4.6.2   Such Amendments shall be authorized under the following conditions:

1.   Amendments shall be in compliance with all applicable Federal, State, and County laws, rules, regulations and ordinances, and publicly known guidelines and directives.

2.   County's Board of Supervisors has appropriated sufficient funds for purposes of such Amendments and this Agreement.

3.   Director shall obtain the approval of County Counsel for any Amendment.

4.   Director shall file a copy of all Amendments with the Executive Office of County's Board of Supervisors and County's Chief Executive Office within fifteen (15) days after execution of each Amendment.

4.7   <u>FACSIMILE</u>

Except for the parties' initial signatures to this Agreement, which must be provided in "original" form and not by facsimile, County and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on the Change Notices prepared pursuant to this Paragraph 4 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Agreement, such that the parties need not follow up facsimile transmissions of such documents by subsequent (non-facsimile) transmissions of "original" versions of such documents.

5.   SCOPE OF WORK

In exchange for County's payment to Contractor of the fees and any applicable taxes arising under the Agreement and invoiced by Contractor, Contractor shall on a timely basis (a) provide, complete, deliver and implement all Work set forth in this Agreement and in Exhibits A (Statement of Work) and D (System Maintenance), including, but not limited to, System Software License, System Hardware, System Implementation services, System Maintenance and any Optional Work; (b) grant to County a limited License to any Work Product, as specified in Paragraph 10.1.5 (Work Product) and (c) grant ownership to County of the Components of the System

Solution described in Paragraph 10.1.4 (System Solution), subject to the provisions of Paragraph 10.1 (System Ownership). Contractor shall perform all such tasks, subtasks, deliverables, goods, services and other Work in accordance with Exhibit A (Statement of Work) with all Attachments thereto and Exhibit D (System Maintenance) with all Schedules thereto at the applicable rates and prices specified in Exhibit B (Schedule of Payments) with all Schedules thereto.

5.1   SYSTEM COMPONENTS

Contractor shall provide all System Software License and all System Environment Components with the exception of County Hardware, including System Hardware and applicable System Network, in order to meet the System Requirements, in accordance with the provisions of Paragraph 10 (System Ownership and License). In addition, Contractor shall certify that the County Hardware is capable of meeting the System Performance Requirements, as provided in Exhibit A (Statement of Work), including Attachment A.1 (System Requirements).

5.2   SYSTEM IMPLEMENTATION

Contractor shall provide System Implementation services, including System setup, installation, testing, training and other services through Final Acceptance of the System required for successful implementation of the DMS, as specified in Exhibit A (Statement of Work).

Contractor and/or County will amend Attachment A.2 (System Configuration) in order to: (i) add new System Software modules and/or Components; (ii) revise the System Software descriptions, and (iii) update the System Software and module version numbers, provided, however, no System Software module or Component may be removed from or added to Attachment A.2 (System Configuration) except in accordance with this Agreement and upon approval of County's Project Director. All such changes to Attachment A.2 (System Configuration) shall be provided in accordance with Paragraph 4 (Changes to Agreement).

5.3   SYSTEM MAINTENANCE

Contractor shall provide to County services relating to the maintenance and support of the System, including Maintenance Services and Support Services, as provided in, and in accordance with, Exhibit D (System Maintenance) and this Agreement (hereinafter "System Maintenance"). System Maintenance obligations shall commence upon the earlier of the Go-Live date or the first anniversary of the Effective Date and shall continue during the Warranty Period and throughout the term of this Agreement.

Upon termination or expiration of this Agreement, Contractor shall provide to County a no cost Transition License during the Transition Period.

5.4   OPTIONAL WORK

Upon County's request and mutual approval pursuant to the terms of this Agreement, Contractor shall provide Optional Work, including Software Enhancements,

consisting of Additional Software and/or Customizations in the form of Solution Modifications and Additional Interfaces, and Professional Services, consisting of Consulting Services and/or Additional Training, in accordance with Task 10 (Optional Work) of Exhibit A (Statement of Work) at the applicable pricing terms set forth in Exhibit B (Schedule of Payments).

5.4.1   SOFTWARE ENHANCEMENTS

Upon County's request following Go-Live and mutual agreement, Contractor shall provide to County Software Enhancements as part of Optional Work using Pool Dollars, including Additional Software and/or Customizations in the form of Solution Modifications and Additional Interfaces, in accordance with Task 10.1 (Provide Software Enhancements) of Exhibit A (Statement of Work) and any applicable Change Order. Unless specified otherwise, Software Enhancements shall be provided at the agreed upon Maximum Fixed Price calculated based on the Fixed Hourly Rate, if applicable, and at the applicable pricing terms set forth in Exhibit B (Schedule of Payments). Upon completion by Contractor, and approval by County in accordance with the terms of this Agreement, of such Software Enhancements, Schedule B.1 (Optional Work) shall be updated accordingly to add such delivered Software Enhancements via a Change Notice or by an Amendment, in each case, in accordance with Paragraph 4 (Changes to Agreement). Such Software Enhancements shall not cause an increase in the Maintenance Fees for System Maintenance under this Agreement.

5.4.2   PROFESSIONAL SERVICES

Upon County's request following Go-Live and mutual agreement, Contractor shall provide to County Professional Services as part of Optional Work using Pool Dollars, including Consulting Services and/or Additional Training, in accordance with Task 10.2 (Provide Professional Services) of Exhibit A (Statement of Work) and any applicable Change Order. Unless specified otherwise, Professional Services shall be provided at the agreed upon Maximum Fixed Price calculated based on the Fixed Hourly Rate, if applicable, and at the applicable pricing terms set forth in Exhibit B (Schedule of Payments). Upon completion by Contractor, and approval by County in accordance with the terms of this Agreement, of such Professional Services, Schedule B.1 (Optional Work) shall be updated accordingly to add such delivered Professional Services via a Change Notice or by an Amendment, in each case, in accordance with Paragraph 4 (Changes to Agreement). Such Professional Services shall not cause an increase in the Maintenance Fees for System Maintenance under this Agreement.

5.5   STANDARD OF SERVICES

Contractor's services and other work required by this Agreement shall during the term of the Agreement conform to reasonable commercial standards as they exist in Contractor's profession or field of practice. If Contractor's services and other work provided under this Agreement fail to conform to such standards, upon notice from County specifying the failure of performance, Contractor shall, at Contractor's sole expense, provide the applicable remedy as specified in this Agreement, including Exhibits A (Statement of Work) and D (System Maintenance). Contractor shall, at its

own expense, correct any data in which (and to the extent that) errors have been caused by Contractor or malfunctions of Applications Software or by any other tools introduced by Contractor into the System for the purpose of performing services or other work under this Agreement or otherwise, provided that County backs up its data prior to Contractor's provision of any Work hereunder.

5.6   UNAPPROVED WORK

If Contractor provides any tasks, subtasks, deliverables, goods, services or other Work to County other than those specified in this Agreement, or if Contractor provides such items requiring County's prior written approval without first having obtained such written approval, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against County therefor.

6.   PROJECT SCHEDULE

6.1   IMPLEMENTATION PLAN

Contractor shall implement the System in accordance with the Project Schedule, set forth in Exhibit C (Project Schedule), based upon the Project Control Document developed and delivered pursuant to Subtask 1.1 (Develop Project Control Document) of Exhibit A (Statement of Work). The Project Schedule shall, at a minimum, include the following items:

1.   Deliverable Number;

2.   Description;

3.   Due Date;

4.   Associated Deliverable;

5.   Any other items required by County under this Agreement.

6.2   KEY DELIVERABLES

Exhibit C (Project Schedule) shall specify certain Deliverables as Key Deliverables, as determined by County. A Key Deliverable shall be deemed completed for purposes of this Paragraph 6.2 on the earliest date that all of the tasks, subtasks, deliverables, goods, services and other Work required for completion of such Key Deliverable are completed and delivered to County, provided that all of such Work required for completion of such Key Deliverable are thereafter approved in writing by County pursuant to Paragraph 2.4 (Approval of Work) without prior rejection by County or significant delay in County's approval thereof, which delay is the result of Contractor's failure to deliver such tasks, subtasks, deliverables, goods, services and other Work in accordance with the terms hereof. The determination of whether each Key Deliverable has been so completed and so approved, and of the date upon which such Key Deliverable was completed, shall be made by County's Project Director as soon as practicable in accordance with Paragraph 2.4 (Approval of Work) after County is informed by Contractor that such Key Deliverable has been completed and is given all the necessary information, data and documentation to verify such

completion. A failure by Contractor to complete any Key Deliverable by the Due Date for such Key Deliverable (as such date may be modified pursuant to Paragraph 4 (Changes to Agreement)), including, without limitation, following delivery of a notice under Paragraph 71 (Notice of Delays)), shall be subject to the provisions of Paragraph 8.3 (Termination) and Paragraph 22 (Termination for Default).

7.   CONTRACT TERM

7.1   INITIAL TERM

The term of this Agreement shall commence upon the Effective Date and shall expire two (2) years thereafter, unless sooner terminated or extended, in whole or in part, as provided in this Agreement (hereinafter "Initial Term").

7.2   EXTENDED TERM

At the end of the Initial Term, County may, at its sole option, extend this Agreement for up to two (2) additional consecutive one (1) year terms (hereinafter "Extended Term"); provided that if County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, the remaining option(s) shall automatically lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term or the Extended Term, as applicable, County notified Contractor in writing that it elects not to extend the Agreement pursuant to this Paragraph 7.

7.3   DEFINITION OF TERM

As used throughout this Agreement, the word "term" when referring to the term of the Agreement shall include the Initial Term and the Extended Term, to the extent County exercises any of its options pursuant to this Paragraph 7.

7.4   NOTICE OF EXPIRATION

Contractor shall notify County when this Agreement is within six (6) months from the expiration of the Initial Term. Upon occurrence of this event, Contractor shall send written notification to County's Project Director at the address set forth in Section I (County Key Personnel) of Exhibit G (Administration of Agreement). Notwithstanding the foregoing, Contractor's failure to provide such notification shall not constitute a material breach of this Agreement.

8.   CONTRACT SUM

8.1   MAXIMUM CONTRACT SUM

The Contract Sum under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the tasks, subtasks, deliverables, goods, services and other Work required or requested by County under this Agreement. All Work completed by Contractor must be approved in writing by County in accordance with Paragraph 2.4 (Approval of Work). If County does not approve work in writing,

no payment shall be due Contractor for that Work. The Contract Sum, including all applicable taxes, authorized by County hereunder shall not exceed Four Million Two Hundred Thirty Thousand Nine Hundred Thirty Seven Dollars ($4,230,937) as further detailed in Exhibit B (Schedule of Payments), unless the Contract Sum is modified pursuant to a duly approved Amendment to this Agreement by County's and Contractor's authorized representative(s) pursuant to Paragraph 4 (Changes to Agreement). The Contract Sum under this Agreement shall cover the authorized payments for all System Components provided by Contractor, System Implementation services, System Maintenance and any Optional Work.

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Contract Sum, including the Pool Dollars expenditures, authorized for this Agreement. Upon occurrence of this event, Contractor shall provide written notification to County's Project Director at the address set forth in Section I (County Key Personnel) in Exhibit G (Administration of Agreement). Notwithstanding the foregoing, Contractor's failure to provide such notification shall not constitute a material breach of this Agreement.

8.2   SYSTEM IMPLEMENTATION

Contractor shall provide System Implementation services in accordance with Exhibit A (Statement of Work), with all Attachments thereto, and the Base Agreement in exchange for County's payment of the applicable Implementation Cost. The Implementation Cost shall include all applicable License Fees and any and all cost of System Implementation, including all tasks, subtasks, deliverables, goods, services and other Work set forth in such Exhibit A (Statement of Work), as specified in Exhibit B (Schedule of Payments). The System Implementation Cost shall not exceed the amount specified in such Exhibit B (Schedule of Payments).

8.3   TERMINATION

If any Key Deliverable is not completed within thirty (30) days after the applicable Due Date, and thereafter approved in writing by County pursuant to Paragraph 2.4 (Approval of Work), other than as a result of delays caused by acts or omissions of County as determined by County's Project Director in his/her reasonable judgment, and unless County's Project Director and Contractor's Project Director have otherwise agreed, in writing, prior to such date scheduled for completion, then County may, upon notice to Contractor, terminate this Agreement for default in accordance with Paragraph 22 (Termination for Default) or for convenience in accordance with Paragraph 23 (Termination for Convenience), as determined in the sole discretion of County, subject to the cure provisions set forth in Paragraph 22 (Termination for Default).

8.4   SYSTEM MAINTENANCE

Contractor shall, during the term of this Agreement, provide to County System Maintenance services, including Maintenance Services and Support Services, in exchange for County's payment of the applicable Maintenance Fees set forth in

Exhibit B (Schedule of Payments), with all Schedules thereto. For System Maintenance, County will pay Contractor the following Maintenance Fees: (i) Annual Fees to be paid annually in advance commencing on the first anniversary of the Effective Date and (ii) System Support Fees to be paid monthly in arrears commencing one month following expiration of the Warranty Period. The Maintenance Fees shall not exceed the amounts specified in Exhibit B (Schedule of Payments).

8.5   OPTIONAL WORK

Upon the written request of County's Project Director following Go-Live made at any time and from time to time during the term of this Agreement and mutual agreement, Contractor shall provide to County Optional Work, including Software Enhancements and Professional Services, as specified in Task 10 (Optional Work) of Exhibit A (Statement of Work) at the applicable pricing terms specified in Exhibit B (Schedule of Payments). Software Enhancements shall only include those products and services relating to requirements not reflected on the Effective Date in the Specifications, including System Requirements, as determined by County's Project Director.

Upon County's request for Optional Work, Contractor shall provide to County, within ten (10) Business Days of County's request therefor, a written quotation of a Maximum Fixed Price calculated based on the Fixed Hourly Rate, as applicable. Contractor's quotation shall be valid for at least ninety (90) days from submission. Contractor's rates for Optional Work shall be subject to the applicable pricing terms set forth in Exhibit B (Schedule of Payments) during the term of this Agreement. Contractor's Fixed Hourly Rate for Professional Services, including Customizations, as of the Effective Date, specified in Exhibit B (Schedule of Payments), shall not increase during the term of the Agreement.

Absent an Amendment in accordance with Paragraph 4 (Changes to Agreement), the Pool Dollars are the aggregate amount available during the term of this Agreement for Optional Work requested and provided following Go-Live.

8.6   NON-APPROPRIATION OF FUNDS

County's obligation may be limited if it is payable only and solely from funds appropriated for the purpose of this Agreement. Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then County shall, at its sole discretion, either (i) terminate this Agreement as of June 30 of the last fiscal year for which funds were appropriated or (ii) reduce the work provided hereunder in accordance with the funds appropriated, as mutually agreed to by the parties. County will notify Contractor in writing of any such non-appropriation of funds at its election at the earliest possible date.

8.7   COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS

In the event that County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for the reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by Contractor under this Agreement shall also be reduced correspondingly as mutually agreed, provided that if no mutually acceptable agreement can be reached, County and Contractor may agree for County to terminate this Agreement for convenience pursuant to Paragraph 23 (Termination for Convenience). County's notice to the Contractor regarding said reduction in payment obligations shall be provided within thirty (30) calendar days of the Board of Supervisors' approval of such actions. Except as set forth in the preceding sentence, Contractor shall continue to provide all of the services set forth in this Agreement.

9.   INVOICES AND PAYMENTS

9.1   INVOICES

Contractor shall invoice County in accordance with Exhibit B (Schedule of Payments) for (1) for License Fees and System Implementation, based on the Deliverable amounts due, as set forth in Exhibit C (Project Schedule) upon Contractor's completion and County's written approval of billable Deliverables; (2) for System Maintenance, by payment of the applicable Maintenance Fees; and (3) for all Optional Work, on a per Change Order basis by payment of the actual price expended by Contractor for the provision of Optional Work, not to exceed the Maximum Fixed Price quoted for such Optional Work following Contractor's completion and County's written approval thereof. Contractor will invoice County for License Fees on the Effective Date to be paid by County in four quarterly installments per year with the first payment due three (3) months following the Effective Date. Contractor will provide County with written notifications regarding each License Fee installment payment that is due at least thirty (30) days prior to each applicable due date, as further specified in Exhibit B (Schedule of Payments).

9.1.1   SUBMISSION OF INVOICES

Contractor's invoice shall include the charges owed to Contractor by County under the terms of this Agreement as provided in Exhibit B (Schedule of Payments). All invoices and supporting documents under this Agreement shall be submitted to the person designated in Section I (County Key Personnel) of Exhibit G (Administration of Agreement) as County's Project Director at the address specified therein, with copies to respective the CEO's SIB and DPSS personnel identified in Section I (County Key Personnel) of Exhibit G (Administration of Agreement).

9.1.2   INVOICE DETAILS

Each invoice submitted by Contractor shall indicate, at a minimum:

1. Agreement Name and Number;

2. The tasks, subtasks, deliverables, goods, services or other Work for which payment is claimed, including System Implementation Deliverable, System Maintenance and Optional Work;

3. The price of such tasks, subtasks, deliverables, goods, services or other Work calculated based on the pricing terms set forth in Exhibit B (Schedule of Payments) or any Change Order, as applicable.

4. The date of written approval of the tasks, subtasks, deliverables, goods, services or other Work by County's Project Director;

5. Indication of any applicable withhold or holdback amounts for payments claimed or reversals thereof;

6. Indication of any applicable credits due County under the terms of this Agreement or reversals thereof;

7. A copy of all applicable Acceptance Certificates signed by County's Project Director and County's Project Manager; and

8. Any other information required by County's Project Director.

9.1.3 APPROVAL OF INVOICES

All invoices submitted by Contractor to County for payment shall have County's written approval as provided in this Paragraph 9.1, which approval shall not be unreasonably withheld. In no event shall County be liable or responsible for any payment prior to such written approval.

9.1.4 INVOICE DISCREPANCIES

County's Project Director will review each invoice for any discrepancies and will, within thirty (30) days of receipt thereof, notify Contractor in writing of any discrepancies found upon such review and submit a list of disputed charges. Contractor shall review the disputed charges and send a written explanation detailing the basis for the charges within thirty (30) days of receipt of County's notice of discrepancies and disputed charges. If County's Project Director does not receive a written explanation for the charges within such thirty (30) day period, Contractor and County will submit to the Dispute Resolution Procedure.

All County correspondence relating to invoice discrepancies shall be sent by email, followed by hard copy, directly to County's Project Director with a copy to County's Project Administrator at the addresses specified in Section I (County's Key Personnel) of Exhibit G (Administration of Agreement).

9.2 DELIVERY OF SYSTEM SOFTWARE

It is in the intent of the parties that all System Software and Documentation provided by Contractor under this Agreement, including the product of System Maintenance services and any Optional Work, shall be delivered (i) in electronic format (e.g., via electronic mail or internet download) loaded by remote access, (ii) personally by

Contractor staff who shall load the System Software and Documentation onto County's hardware but who will retain possession of all originals and copies of such tangible media (e.g., CD-ROM, magnetic tape, printed manuals) used to deliver the System Software and Documentation to County, or (iii) via hosting at Contractor's facilities as set forth in Exhibit A (Statement of Work).

Any System Software and Documentation provided or delivered by Contractor to County in a tangible format shall be F.O.B. Destination. The Contract Sum shown in Paragraph 8.1 (Maximum Contract Sum) includes all amounts necessary for County to reimburse Contractor for all transportation and related insurance charges, if any, on System Software Components and Documentation procured by County from Contractor pursuant to this Agreement. All transportation and related insurance charges, if any, shall be paid directly by Contractor to the applicable carrier. Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, any and all such transportation and related insurance charges.

9.3   SALES/USE TAX

The Contract Sum shown in Paragraph 8.1 (Maximum Contract Sum) shall be deemed to include all amounts necessary for County to reimburse Contractor for all applicable California and other state and local sales/use taxes on all System Components provided by Contractor to County pursuant to or otherwise due as a result of this Agreement, including, but not limited to, the product of System Maintenance and any Optional Work, to the extent applicable. All California sales/use taxes shall be paid directly by Contractor to the State or other taxing authority.

Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, any and all such California and other state and local sales/use taxes. Further, Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, all applicable California and other state and local sales/use tax on all other items provided by Contractor pursuant to this Agreement and shall pay such tax directly to the State or other taxing authority. In addition, Contractor shall be solely responsible for all taxes based on Contractor's income or gross revenue, or personal property taxes levied or assessed on Contractor's personal property to which County does not hold title.

9.4   PAYMENTS

Provided that Contractor is not in material default or default related to Work under any provision of this Agreement, County will pay all invoice amounts to Contractor within thirty (30) days of receipt of invoices that have not been disputed in accordance with Paragraph 9.1.4 (Invoice Discrepancies) above. County's failure to pay within the thirty (30) day period, however, shall not be deemed as automatic invoice approval or Acceptance by County of any deliverable for which payment is sought, nor shall it entitle Contractor to impose an interest on any late payment.

9.5 COUNTY'S RIGHT TO WITHHOLD PAYMENT

Notwithstanding any other provision of this Agreement, and in addition to any rights of County given by law or provided in this Agreement, County may upon written notice to Contractor withhold payment for any deliverable while Contractor, with no fault of County, is in default hereunder or default related to Work.

9.6 HOLDBACKS

County will hold back ten percent (10%) of the amount of Deliverable invoices, including invoices for System Implementation excluding those containing License Fees, as specified in Exhibit B (Schedule of Payments), submitted by Contractor under this Agreement and approved by County pursuant to Paragraph 9.1 (Invoices). The cumulative amount of such holdbacks shall be due and payable to Contractor upon Final Acceptance, subject to adjustment for any amounts arising under this Agreement owed to County by Contractor, including, but not limited to, any amounts arising from Paragraphs 9.1.4 (Invoice Discrepancies), 9.5 (County's Right to Withhold Payment) and any partial termination of any Task, Subtask or Deliverable set forth in the Statement of Work as provided herein.

10. SYSTEM OWNERSHIP AND LICENSE

10.1 SYSTEM OWNERSHIP

10.1.1 SYSTEM ENVIRONMENT

Contractor acknowledges that County owns all System Environment Components provided by County, including County Hardware; while Contractor, or the rightful owner, shall retain ownership of all System Environment Components provided by Contractor, as specified in Attachment A.2 (System Configuration).

10.1.2 SYSTEM SOFTWARE

Except as provided in Paragraph 10.1.4 (System Solution) below, all System Software provided by Contractor to County pursuant to this Agreement, including Application Software, Third Party Software and related Documentation, is and shall remain the property of Contractor or any rightful third party owner, with which all Proprietary Rights shall reside, and shall be subject to the terms of the License granted pursuant to Paragraph 10.2 (License) below.

10.1.3 SYSTEM DATA

All County Data provided or made accessible by County to Contractor, is and shall remain the property of County. All System Data provided or used by Contractor for the purpose of this Agreement, is and shall remain the property of Contractor or any rightful third party owner.

10.1.4 SYSTEM SOLUTION

All Components of the System Solution specifically designed or developed by Contractor for County under this Agreement or under prior or other current

agreements with County relating to the Pilot or the Project, and related Documentation, shall be owned by County. County grants to Contractor a perpetual, non-exclusive, transferable, assignable, royalty free license to such Components for the purpose of fulfilling its obligations under the Agreement and to use, sublicense and create derivative works in any media now known or hereafter developed as it otherwise finds necessary.

10.1.5   WORK PRODUCT

Contractor shall be the sole owner of any Contractor documentation, computer code, Contractor's pre-existing algorithms, know how, information or products, tools utilized by Contractor for the project, any generic materials developed by Contractor prior to or during the course of performance of the services under the Agreement, including pull-down menus and login screens, or other materials delivered by Contractor in connection with the Work, including any intellectual property embodied therein (hereinafter collectively "Work Product"). Work Product does not include the Components of the System Solution owned by County as set forth in Paragraph 10.1.4 (System Solution) or any other County Materials relating to the Pilot or the Project specifically designed or developed by Contractor for County.

10.2   LICENSE

10.2.1   LICENSE GRANT

Subject to Paragraph 10.1 (System Ownership), Contractor grants to County a non-exclusive, non-transferable, non-assignable (except in connection with an assignment of this Agreement according to its terms) license to use the Work Product for the term of the License described in Paragraph 10.2 (License) for the System Software with which the Work Product operates. Contractor hereby grants to County a non-exclusive, non-transferable, non-assignable (except in connection with an assignment of this Agreement according to its terms) license to use the System Software and Work Product, including, without limitation, the Core Application, Application Modifications and Third Party Software, and related Documentation (hereinafter "License") by all Users in accordance with the scope set forth in Paragraph 10.2.3 (Scope of License) and subject to the restrictions set forth in Paragraph 10.2.4 (License Restrictions) during the term specified in Paragraph 10.2.2 (License Term). Notwithstanding the foregoing, upon mutual agreement of the parties, County may obtain its own license for any Component of Third Party Software, the term and scope of which shall be subject to the terms of County's agreement with the provider of such Third Party Software.

10.2.2   LICENSE TERM

The License granted under this Agreement shall commence upon the Effective Date, and, provided undisputed payments for such License are made as provided herein, shall continue through the term of this Agreement and for a period of two (2) years following termination or expiration of the Agreement (hereinafter "Transition Period") at no cost to County. Notwithstanding the preceding sentence, during the Transition Period, the License shall apply to the Application Software and Work

Product and will not include any Third Party Software licensed to County by Contractor, unless Contractor's license for such Third Party Software allows such use without additional cost to County or Contractor.

10.2.3   SCOPE OF LICENSE

The License granted by Contractor under this Agreement provides County with the following rights:

1.   To use, install, integrate with other software, operate and execute (a) during the term of the Agreement, the System Software in the System Environment on an unlimited number of computers, servers, local area networks and wide area networks, including web connections and (b) during the Transition Period, the Application Software on a County server with computing power approximately equal to the Production Server running an operating system that is then supported by Contractor for its customers generally, or its equivalent at the time, by an unlimited number of Users in the conduct of the business of County as provided in the Agreement;

2.   To use, modify, copy, translate and compile the Application Software after such time as one of the Release Conditions described in Paragraph 10.3.2 (Source Code Release Conditions) has occurred which would permit County to use the Source Code as provided in this Paragraph 10.2 and Paragraph 10.3 (Source Code) below;

3.   To use, modify, copy and display the Documentation as intended by Contractor, including, but not limited to, System and User manuals, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License;

4.   To permit third party access to the Application Software, the Documentation, the Source Code, or any part thereof, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License, including for the provision of System Maintenance Services, Application Modifications, Professional Services or other business use or support of the Application Software as contemplated by this Agreement; provided, however, without limiting County's rights under this Paragraph 10.2.3, County covenants and agrees that it shall not exercise any of the rights contained in this Paragraph 10.2.3(4) unless and until the occurrence of any one of the Release Conditions;

5.   Pursuant to Paragraph 69 (Assignment by County), to reproduce and use a reasonable number of copies of the System Software provided by Contractor by County and permitted assignees, for archive and backup purposes; and

6.   During the term of the Agreement, to use, copy and test System Software, and specifically the Baseline Software, in the Test Environment, including for the purpose of building its own solutions or models, as mutually agreed to by the parties.

10.2.4   LICENSE RESTRICTIONS

County acknowledges and agrees (i) that the System Software provided by Contractor to County under the Agreement, including related Documentation, is the confidential and copyrighted property of Contractor, or its licensors, and all rights therein not expressly granted to County are reserved to Contractor, or its licensors, as applicable; and (ii) that Contractor, or its licensors, retain all Proprietary Rights in and to the foregoing. Subsequently, County's License to the System Software provided by Contractor hereunder is limited by the restrictions set forth in this Paragraph 10.2.4 below. County will not:

1.   Reverse engineer, disassemble or decompile the System Software provided by Contractor;

2.   Transfer, sublicense, rent, lease, convey or assign (unless resulting from an Agreement assignment under Paragraph 69 (Assignment by County)) the System Software provided by Contractor;

3.   Copy or reproduce the System Software provided by Contractor in any way except as reasonably necessary for backup, archival or business continuity purposes;

4.   Use the System Software provided by Contractor on a timesharing, service bureau, subscription service or rental basis for any third party;

5.   Use the System Software provided by Contractor to process data for the benefit of any third parties outside of the Project;

6.   Use the System Software for any purpose other than as specified in this Agreement or the Project; or

7.   Remove, modify or obscure any copyright, trademark or other proprietary rights notices that appear on, or during the use of, the System Software provided by Contractor.

10.3   SOURCE CODE

10.3.1   SOURCE CODE ESCROW

10.3.1.1   Source Code Escrow Agreement

Upon the Effective Date, but not later than Contractor commences any work hereunder, Contractor shall have established, at no cost to County, a source code escrow with a nationally recognized source code escrow company (hereinafter "Escrow Agent"). A copy of the Source Code Escrow Agreement shall be incorporated by reference into this Agreement as Exhibit O (Source Code Escrow Agreement). Contractor shall deposit with the Escrow Agent the Source Code for all Application Software developed for or licensed to County under this Agreement, including the Core Application, Interfaces and Application Modifications. Contractor shall update the Source Code by depositing with the Escrow Agent the Source Code for all Application Modifications, including, but not limited to, Software Enhancements, Updates, Replacement Product, if any, and any other modifications or

enhancements to the deposited Application Software and any Application Software newly licensed or developed for the purpose of this Agreement. Contractor's duty to update the Source Code shall continue through the term of this Agreement.

Contractor's duty to maintain a Source Code Escrow Agreement and to deposit the Source Code with Escrow Agent shall continue throughout the term of this Agreement, unless one of the Release Conditions occurs which would permit County to obtain and use the Source Code in accordance with the terms of this Paragraph 10.3. Contractor may, by written notice to County, change the Escrow Agent for the Source Code under this Agreement. Any such change shall be accomplished by a Change Notice in accordance with Paragraph 4 (Changes to Agreement) above and shall not modify Contractor's obligations or County's rights with respect to the Source Code under this Agreement.

10.3.1.2   Natural Degeneration

The parties acknowledge that as a result of the passage of time alone, the deposited Source Code may be susceptible to loss of quality ("Natural Degeneration"). For the purpose of reducing the risk of Natural Degeneration, Contractor shall deposit with the Escrow Agent a new copy of all deposited Source Code as provided in the Source Code Escrow Agreement. In the event the Source Code or any part of it is destroyed or corrupted, upon County's request, Contractor shall provide a replacement copy of the Source Code to the Escrow Agent.

10.3.2   SOURCE CODE RELEASE CONDITIONS

In addition to the conditions for release of Source Code identified in the Source Code Escrow Agreement, Contractor shall cause the release of the Source Code to County, and County shall have the right to immediately begin using the Source Code, as provided in Paragraph 10.3.4 (Possession and Use of Source Code), at no charge to County, upon the occurrence of the following events (collectively with the release conditions identified in the Source Code Escrow Agreement "Release Condition(s)"):

1.   The insolvency of Contractor, including as set forth in Paragraph 24 (Termination for Insolvency);

2.   The making of a general assignment by Contractor for the benefit of its creditors; or

3.   Rejection of this Agreement or any agreement supplementary hereto in bankruptcy.

Upon occurrence of any of the Release Conditions listed above, Contractor agrees to execute with County and submit to the Escrow Agent joint written instructions (or any equivalent form specified in the Source Codes Escrow Agreement) for releasing the Source Code to County. Notwithstanding the foregoing, County alone may file for release of the Source Code if it believes in good faith that a Release Condition has occurred, subject to the provisions of the Source Code Escrow Agreement.

10.3.3 COUNTY'S RIGHT TO VERIFY SOURCE CODE

Regardless of whether one of the Release Conditions occurs, County shall have the right, at County's sole expense, to request the Escrow Agent to verify the relevance, completeness, currency, accuracy, and functionality of the deposited Source Code by, among other things, compiling the Source Code and performing test runs for comparison with the applicable Application Software. In the event such testing demonstrates the Source Code does not correspond to the applicable Application Software, Contractor shall reimburse County for all costs and fees incurred in the testing and immediately deposit the correct Source Code with the Escrow Agent.

10.3.4 POSSESSION AND USE OF SOURCE CODE

Upon the occurrence of a Release Condition, County will, upon payment of the duplication cost and other handling charges of the Escrow Agent, be entitled to obtain a copy of such Source Code from the Escrow Agent pursuant to the terms of the Source Code Escrow Agreement. County shall be entitled to use the Source Code as needed to remedy the event of release and mitigate any damages arising from such event, provided that mitigation of damages shall not include the sale or sublicense of the Source Code. Such use will include, but is not limited to, County's right to perform its own support and maintenance, alter or modify the Source Code and/or obtain the benefits sought under this Agreement, subject to the limitations of Paragraph 10.3.5 (Proprietary Rights) below.

10.3.5 PROPRIETARY RIGHTS

Subject to Paragraph 10.3.4 (Possession and Use of Source Code) and County's License to, and Contractor's ownership of, the Baseline Software as provided in Paragraph 10.1 (System Ownership), Source Code obtained by County under the provisions of this Agreement shall remain subject to every license restriction, proprietary rights protection and other County obligation specified in this Agreement, provided, however, County may make such Source Code available to third parties as needed to assist it in making authorized use of the System. County acknowledges that any possession of the Source Code referred to herein is subject to the confidentiality and proprietary provisions of access to any third party. Should use of the Source Code as provided in this Paragraph 10.3.5 involve the use or practice of any patent, copyright, trade secret, trademark or other proprietary information in which Contractor has an interest, Contractor, on behalf of itself and its assignees and successors, agrees not to assert a claim for patent, copyright, trade secret, trademark or other proprietary information infringement against County or any User provided use of Application Software and Source Code is in accordance with this Agreement.

10.3.6 AMENDMENT OF SOURCE CODE ESCROW AGREEMENT

As between County and Contractor, this Paragraph 10.3 (including Paragraph 10.3.2 (Source Code Release Conditions)) shall constitute an amendment to the Source Code Escrow Agreement and incorporate all of the Release Conditions identified in such Paragraph 10.3.2 (Source Code Release Conditions) above.

10.3.7   ESCROW FEES

Other than for any specific County payment obligations under this Paragraph 10.3, there shall be no charge to County for the maintenance of the Source Code Escrow Agreement under this Agreement.

11.   SYSTEM ACCEPTANCE

11.1   SYSTEM TESTS

County and/or Contractor, as applicable, shall conduct all tests (hereinafter "System Test(s)") specified in this Paragraph 11.1 and in Exhibit A (Statement of Work). Such System Tests shall include, without limitation, the following:

1.   System Integration Test: As set forth in Subtask 5.1 (Conduct System Integration Test) of Exhibit A (Statement of Work), to confirm that all Components of Application Software operate properly in an integrated fashion and meet all applicable System Requirements.

2.   User Acceptance Test: As set forth in Subtask 5.2 (Conduct User Acceptance Test) of Exhibit A (Statement of Work), to confirm that Application Software meets all System Requirements.

3.   Performance Verification Test: As set forth in Subtask 6.2 (Conduct Performance Verification) of Exhibit A (Statement of Work), to confirm that the System shall operate in the Production Environment without Deficiencies.

11.2   PRODUCTION USE

The System shall achieve Go-Live and be ready for Production Use when County's Project Director, or his/her designee, approves in writing Deliverable 6.1 (System Production Use) of Exhibit A (Statement of Work).

11.3   FINAL ACCEPTANCE

The System shall achieve Final Acceptance when County's Project Director, or his/her designee, approves in writing Deliverable 6.2.2 (Final Acceptance) of Exhibit A (Statement of Work). In the event the System fails to successfully achieve System Acceptance as described in Subtask 6.2 (Conduct Performance Verification) of Exhibit A (Statement of Work), Contractor shall provide County with a diagnosis of the Deficiencies and proposed solution(s). County and Contractor shall agree upon all such proposed solutions prior to their implementation.

11.4   FAILED TESTING

11.4.1   If County's Project Director makes a good faith determination at any time that the System as a whole, or any Component thereof, has not successfully completed a System Test or has not achieved Final Acceptance (collectively referred to for purposes of this Paragraph 11.4 as "Designated Test"), County's Project Director shall promptly notify Contractor in writing of such failure, specifying with as much detail as possible the manner in which the System Component or the System failed to

pass the applicable Designated Test. Contractor shall immediately commence all reasonable efforts to complete, as quickly as possible, such necessary corrections, repairs and modifications to the System Component or the System as will permit the System Component or the System to be ready for retesting. Contractor shall notify County's Project Director in writing when such corrections, repairs and modifications have been completed, and the applicable Designated Test shall begin again. If, after the applicable Designated Test has been completed for a second time, County's Project Director makes a good faith determination that the System Component or the System again fails to pass the applicable Designated Test, County's Project Director shall promptly notify Contractor in writing, specifying with as much detail as possible the manner in which the System Component or the System failed to pass the applicable Designated Test. Contractor shall immediately commence all reasonable efforts to complete, as quickly as possible, such necessary corrections, repairs and modifications to the System Component or the System as will permit the System Component or the System to be ready for retesting.

11.4.2 Such procedure shall continue, subject to County's rights under Paragraph 8.3 (Termination) in the event Contractor fails to timely complete any Key Deliverable, until such time as County notifies Contractor in writing either: (i) of the successful completion of such Designated Test or (ii) that County has concluded, subject to the Dispute Resolution Procedure, that satisfactory progress toward such successful completion of such Designated Test is not being made, in which latter event, County shall have the right to make a determination, which shall be binding and conclusive on Contractor, that a non-curable default has occurred and to terminate this Agreement in accordance with Paragraph 22 (Termination for Default) on the basis of such non-curable default. In the event Contractor, using good faith effort, is unable to cure a deficiency by re-performance after two (2) attempts, County and Contractor will work together to agree on a mutually acceptable resolution, provided that if County and Contractor cannot agree on a resolution, County will terminate this Agreement for default pursuant to Paragraph 22 (Termination for Default).

11.4.3 Such a termination by County may be subject to the Dispute Resolution Procedure, either, as determined by County in its sole judgment: (i) a termination with respect to one or more of the Components of the System; or (ii) if County believes the failure to pass the applicable Designated Test materially affects the functionality, performance or desirability to County of the System as a whole, the entire Agreement. In the event of a termination under this Paragraph 11.4, County shall have the right to receive from Contractor reimbursement of all payments made to Contractor by County under this Agreement for the System Component(s) and related Deliverables as to which the termination applies, or, if the entire Agreement is terminated, all amounts paid by County to Contractor under this Agreement. If the termination applies only to one or more System Component(s), at County's sole option, any reimbursement due to it may be credited against other sums due and payable by County to Contractor. The foregoing is without prejudice to any other rights that may accrue to County or Contractor under the terms of this Agreement or by law.

12.   SYSTEM USE

Subject to County's obligations of Acceptance set forth in Exhibit A (Statement of Work) and the Agreement, following Application Software installation by Contractor and prior to Final Acceptance by County, County shall have the right to use, in a Production Use mode, any completed portion of the System, without any additional cost to County where County determines that it is necessary for County operations. Such Production Use shall not restrict Contractor's performance under this Agreement and shall not be deemed Acceptance or Final Acceptance of the System.

13.   WARRANTIES AND CORRECTION OF DEFICIENCIES

13.1   <u>SYSTEM WARRANTIES</u>

Contractor hereby warrants to County that the System shall be free from any and all Deficiencies commencing from Go-Live and continuing through Final Acceptance (hereinafter "Warranty Period") and for the term of the Agreement. All Deficiencies reported or discovered shall be corrected in accordance with Exhibit D (System Maintenance) at no cost to County beyond the applicable Maintenance Fees. Contractor shall meet all of the Warranties set forth in Exhibit D (System Maintenance), including but not limited to general warranties, System Warranties and System Performance Warranty.

13.2   <u>PROBLEM RESOLUTION</u>

Provided that County is covered by System Maintenance as provided in this Agreement, any non-conformances, breaches of warranties specified herein and other Deficiencies reported and discovered during the term of the Agreement shall be corrected in accordance with Exhibit D (System Maintenance).

13.3   <u>CONTINUOUS PRODUCT SUPPORT</u>

13.3.1   In the event that Contractor replaces any or all Components of the Application Software with other software modules or components (hereinafter "Replacement Product") in order to fulfill its obligations under the Agreement and to meet the System Requirements, then the License shall be deemed to automatically include such Replacement Product without cost or penalty to County, including, without limitation, if such Replacement Product contains greater functionality than the Application Software it replaced. If required by County, Contractor shall provide the necessary training to County personnel to utilize the Replacement Product at no cost to County.

13.3.2   In the event any or all Components of the Application Software are migrated to the Replacement Product as a result of an acquisition, sale, assignment, transfer or other change in control of Contractor, then any assignee or successor, by taking benefit (including, without limitation, acceptance of any payment under this Agreement) shall be deemed to have ratified this Agreement. All terms and conditions of this Agreement shall continue in full force and effect for the Replacement Product.

13.3.3 The following terms and conditions shall apply if County elects to transfer the License to a Replacement Product:

1. Contractor, or its assignee or successor, shall, at no cost to County, implement the Replacement Product in the System Environment, convert and migrate all of System Data from the Application Software format to the Replacement Product format to ensure Production Use of such Replacement Product;

2. Any prepaid Maintenance Fees for Application Software shall transfer in full force and effect for the balance of the Replacement Product's maintenance and support term (or equivalent service) at no additional cost. If the prepaid amount is greater than the Replacement Product's maintenance and support fees for the same term, the credit balance shall be applied to future Maintenance Fees or returned to County, at County's option;

3. Any and all modules offered separately and needed to match the original Application Software's level of functionality shall be supplied by Contractor, or its assignee or successor, without additional cost or penalty, and shall not affect the calculation of any Maintenance Fees;

4. Contractor shall provide to County the necessary System Training for purposes of learning the Replacement Product. Such training shall be provided at no cost to County;

5. All License terms and conditions, at a minimum, shall remain as granted herein with no additional fees imposed on County; and

6. The definition of Application Software shall include the Replacement Product.

13.4 WARRANTY PASS-THROUGH

Contractor shall assign to County to the fullest extent permitted by law or by this Agreement, and shall otherwise ensure that the benefits of any applicable warranty or indemnity offered by any manufacturer of any System Component or any other product or service provided hereunder shall fully extend to and be enjoyed by County.

13.5 REMEDIES

County's remedies under the Agreement for the breach of the Warranties set forth in this Agreement, including Exhibit D (System Maintenance), will be limited to the repair or replacement by Contractor, at its own expense, of the non-conforming System Components and the specific remedies set forth in Exhibit D (System Maintenance) and any other corrective measures specified in Exhibit D (System Maintenance) and this Agreement. County agrees that, notwithstanding anything else herein to the contrary, specific performance will not be a remedy available to it for any breach of this Agreement by Contractor.

13.6   BREACH OF WARRANTY OBLIGATIONS

Failure by Contractor to timely perform its obligations set forth in this Paragraph 13 shall constitute a material breach, upon which, in addition to County's other rights and remedies set forth herein, County may, after written notice to Contractor and provision of a reasonable cure period, terminate this Agreement in accordance with Paragraph 22 (Termination for Default).

13.7   DISCLAIMER OF WARRANTIES

Contractor expressly disclaims all warranties not expressly specified anywhere in this Agreement with all of its Exhibits, Attachments and Schedules, including the implied warranty of merchantability or fitness for a particular purpose or any warranties arising as a result of custom or usage in the trade or by course of dealing. Nothing in this Paragraph 13.7 negates any other express warranties provided by Contractor under the Agreement.

14.   INDEMNIFICATION

14.1   GENERAL INDEMNIFICATION

Contractor shall indemnify, defend, and hold harmless County, including County Affiliates, its districts administered by County, and their elected and appointed officers, employees, and agents (collectively referred to for purposes of this Paragraph 14 as "County") from and against any and all claims, demands, damages, liabilities, losses, and reasonable costs and expenses, including defense costs and legal, accounting and other expert, consulting or professional fees, and legal research fees, in any way arising from, connected with or related to claims and lawsuits for damages of any nature whatsoever finally awarded against County by a court of competent jurisdiction (including such claims finally disposed of by a court of competent jurisdiction), including bodily injury, death, personal injury or property damage, arising from, connected with or related to: (i) Contractor, Contractor's agents', employees' or subcontractors' acts, errors or omissions in the performance of services or provision of products hereunder, including any workers' compensation suits, liability or expense, arising from or connected with any Work provided by any person on behalf of Contractor, Contractor's agents, employees or subcontractors pursuant to this Agreement; or (ii) any allegation of facts that constitute a breach of this Agreement by Contractor. Notwithstanding the foregoing, in the event that a claim giving rise to Contractor's obligations under this Paragraph 14 is terminated prior to final award by a court of competent jurisdiction, Contractor shall not seek from County reimbursement of any costs and expenses incurred by Contractor in defending such claim. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 14 shall be conducted by Contractor and performed by counsel selected by Contractor. County will reasonably cooperate with Contractor in the investigation, defense and/or settlement of any claim hereunder.

Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense.

14.2   LIMITATION OF LIABILITY

In no event shall either party be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, even if advised of the possibility of such damages and regardless of the form in which any action is brought.

Except for (a) Contractor's indemnification obligations set forth in Paragraph 17.2, (b) bodily injury, death or damage to tangible property, excluding damage to software or data, arising from actions for which Contractor is legally responsible (whether in contract, tort or otherwise), or (c) County's violation of the intellectual property rights of Contractor, neither party's liability for damages of any kind, including direct damages, will exceed the Contract Sum allocated for this Agreement.

15.   INSURANCE AND PERFORMANCE SECURITY

15.1   GENERAL INSURANCE PROVISIONS

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Paragraph 15.1. These minimum insurance coverage terms, types and limits ("Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Agreement.

15.2   EVIDENCE OF COVERAGE AND NOTICE

15.2.1   Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

15.2.2   Renewal Certificates shall be provided to County not less than ten (10) days after renewal of Contractor's policy. County reserves the right to obtain copies of relevant sections of any required Contractor and/or subcontractor insurance policies at any time.

15.2.3   Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000.00) dollars, and list any County required endorsement forms.

15.2.4   Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to County's Project Director at the address specified in Section I (County Key Personnel) of Exhibit G (Administration of Agreement).

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

15.3   ADDITIONAL INSURED STATUS AND SCOPE OF COVERAGE

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

15.3.1   CANCELLATION OF INSURANCE

Except in the case of cancellation for non-payment of premium, Contractor's insurance policies shall provide, and Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

15.3.2   INSURER FINANCIAL RATINGS

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

15.3.3   CONTRACTOR'S INSURANCE SHALL BE PRIMARY

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor.

Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

15.3.4 WAIVERS OF SUBROGATION

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

15.3.5 SUBCONTRACTOR INSURANCE COVERAGE REQUIREMENTS

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

15.3.6 DEDUCTIBLES AND SELF-INSURED RETENTIONS

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR.

15.3.7 CLAIMS MADE COVERAGE

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

15.3.8 APPLICATION OF EXCESS LIABILITY COVERAGE

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

15.3.9 SEPARATION OF INSUREDS

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) policy forms or equivalent coverage.

15.3.10 ALTERNATIVE RISK FINANCING PROGRAMS

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its

Agents shall be designated as an Additional Covered Party under any approved program.

15.3.11 COUNTY REVIEW AND APPROVAL OF INSURANCE REQUIREMENTS

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures, provided that any such changes must be made in compliance with Paragraph 4 (Changes to Agreement).

15.4 INSURANCE COVERAGE REQUIREMENTS

15.4.1 COMMERCIAL GENERAL LIABILITY INSURANCE

Providing scope of coverage equivalent to ISO policy form CG 00 01, naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate	$2 million
Products/Completed Operations Aggregate	$1 million
Personal and Advertising Injury	$1 million
Each Occurrence	$1 million

15.4.2 AUTOMOBILE LIABILITY INSURANCE

Providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

15.4.3 WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

Insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by the state where the work is being performed, and for which Contractor is responsible. In all cases, the above insurance shall also include Employers' Liability coverage be with limits of not less than the following:

Each Accident	$1 million
Disease – Policy Limit	$1 million
Disease – Each Employee	$1 million

15.4.4 PROFESSIONAL LIABILITY/ERRORS AND OMISSIONS

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $2 million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement's expiration, termination or cancellation.

15.5   PERFORMANCE SECURITY

Contractor shall furnish for the purpose of this Agreement, within thirty (30) days from the Effective Date, or such longer period as mutually agreed upon by County and Contractor, and in all events prior to commencing any Work under this Agreement, performance security in the form of a performance bond, a certificate of deposit (CD), an irrevocable letter of credit (LOC) or other performance security in a form and from a financial institution acceptable to County payable to County in the amount of the Contract Sum for the Work through the end of the Warranty Period, including Final Acceptance.

Prior to acceptance of Contractor's performance security, Contractor shall submit to County for approval the form of the proposed performance security. Both the initial expense and the annual premiums for the performance security shall be paid by Contractor.

In the event of termination under Paragraph 22 (Termination for Default) or Paragraph 24 (Termination for Insolvency), the performance security amount shall become payable to County for any outstanding damage assessments made by County against Contractor. An amount up to the full amount of the performance security may also be applied to Contractor's liability for any administrative costs and/or any excess costs incurred by County in obtaining similar software and services to replace those terminated as a result of Contractor's default or insolvency.

15.6   FAILURE TO MAINTAIN INSURANCE OR PERFORMANCE SECURITY

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance or maintain performance security acceptable to County shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor and/or suspend or terminate this Agreement.

16.   PROPRIETARY CONSIDERATIONS

16.1   COUNTY MATERIALS

Contractor and County agree that all materials, plans, reports, Project Schedule, the PCD, documentation and training materials developed by or solely for County, departmental procedures and processes, algorithms, the Components of the System Solution as set forth in Paragraph 10.1.4 (System Solution) above and other DMS models and solutions, deliverables, data, including County Data, and any other information provided by County or specifically provided by Contractor for County pursuant to this Agreement (excluding the Work Product and System Software provided by Contractor (subject to County's ownership of the Components of the System Solution as set forth in Paragraph 10.1.4 (System Solution) above)) and related Documentation (collectively "County Materials"), and all copyrights, patent rights, trade secret rights and other proprietary rights therein shall be the sole property of County. Contractor hereby assigns and transfers to County all of Contractor's right, title, and interest in and to all such County Materials, provided that notwithstanding such County ownership, Contractor may retain possession of all working papers prepared by Contractor. During and for a minimum of five (5) years

subsequent to the term of this Agreement, Contractor shall retain any and all such working papers. County shall have the right to inspect any and all such working papers, make copies thereof, and use the working papers and the information contained therein.

16.2   TRANSFER TO COUNTY

Upon request of County, Contractor shall execute all documents requested by County and shall perform all other reasonable acts requested by County to assign and transfer to, and vest in, County all Contractor's right, title and interest in and to the County Materials, including, but not limited to, all copyright, patent and trade secret rights. County shall have the right to register all copyrights and patents in the name of County of Los Angeles. All material expense of effecting such assignment and transfer of rights shall be borne by County. Further, County shall have the right to assign, license or otherwise transfer any and all County's right, title and interest, including, but not limited to, copyrights and patents, in and to the County Materials.

16.3   CONTRACTOR'S OBLIGATIONS

Contractor shall protect the security of and keep confidential all County Materials and shall use whatever security measures are reasonably necessary to protect all such County Materials from loss or damage by any cause, including fire and theft.

16.4   PROPRIETARY AND CONFIDENTIAL

Any and all County Materials which are developed or were originally acquired by Contractor outside the scope of this Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "PROPRIETARY" or "CONFIDENTIAL".

Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:

1.   Any disclosure of any materials which County is required to make under the California Public Records Act or otherwise by law; and

2.   Any Contractor's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends.

17.   INTELLECTUAL PROPERTY INDEMNIFICATION

17.1   Contractor represents and warrants: (i) that Contractor has the full power and authority to grant the License, ownership and all other rights granted by this Agreement to County; (ii) that no consent of any other person or entity is required by Contractor to grant such rights other than consents that have been obtained and are in effect; (iii) that County is entitled to use the System without interruption, subject only to County's obligation to make the required payments and observe the License terms under this Agreement; (iv) that this Agreement and the System licensed or acquired herein, are neither subject to any liens, encumbrances, or pledges nor subordinate to

any right or claim of any third party, including Contractor's creditors; (v) that during the term of this Agreement, Contractor shall not subordinate this Agreement or any of its rights hereunder to any third party without the prior written consent of County, and without providing in such subordination instrument for non-disturbance of County's use of the System (or any part thereof) in accordance with this Agreement; and (vi) that neither the performance of this Agreement by Contractor, nor the License to or ownership by, and use by, County and its Users of the System in accordance with this Agreement will in any way violate any non-disclosure agreement, nor constitute any infringement or other violation of any copyright, trade secret, trademark, service mark, patent, invention, proprietary information, or other rights of any third party.

17.2   Contractor shall indemnify, hold harmless and defend County, including County Affiliates, its officers, employees and agents (collectively referred to for purposes of this Paragraph 17 as "County") , from and against any and all claims, demands, damages, liabilities, losses, and reasonable costs and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees and attorney's fees finally awarded against County by a court of competent jurisdiction by reason of any infringement by Contractor, or any of its subcontractors, of any third party's patent or copyright, or any unauthorized trade secret disclosure or misappropriation by Contractor, or any of its subcontractors, arising from or related to the Application Software or the operation and utilization of Contractor's work under this Agreement (collectively referred to for purposes of this Paragraph 17.2 as "Infringement Claim(s)"), provided that the Application Software or any Deliverable arising from the Work has not been altered, revised, modified or combined with other software by County in a manner that causes the alleged infringement and that County promptly notified Contractor of such claim. Notwithstanding the foregoing, in the event that an Infringement Claim is terminated prior to final award by a court of competent jurisdiction, Contractor shall not seek from County reimbursement of any costs and expenses incurred by Contractor in defending such Infringement Claim. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 17.2 shall be conducted by Contractor and performed by counsel selected by Contractor. County will reasonably cooperate with Contractor in the investigation, defense and/or settlement of any claim hereunder. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

17.3   County shall notify Contractor, in writing, as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure. Upon such notice by County, Contractor shall, at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the System or affected Component(s) thereof, or part(s) thereof, to the same extent of County's License or ownership rights under this Agreement; or (ii) replace or modify the System or Component(s) thereof with another software or component(s) thereof of at least equivalent quality and performance capabilities, as mutually determined by County and Contractor until the System and all Components thereof become non-infringing, non-misappropriating and non-disclosing (hereinafter collectively for the purpose of this Paragraph 17.3 "Remedial Act(s)").

17.4   If Contractor fails, or notifies County in writing that it is unable, to complete using reasonable commercial efforts the Remedial Acts described in Paragraph 17.3 above then, unless otherwise agreed to by the parties following good faith negotiations, County will terminate this Agreement for default pursuant to Paragraph 22 (Termination for Default), in which case, in addition to other remedies available to County, Contractor shall reimburse County for all fees and costs paid by County to Contractor under the Agreement.

18.   PROHIBITION AGAINST ASSIGNMENT AND DELEGATION

18.1   Contractor shall not assign its rights and/or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, which consent shall not be unreasonably withheld, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Paragraph 18, County's consent shall require a written Amendment to this Agreement, which is formally approved and executed in accordance with Paragraph 4 (Changes to Agreement). Any payments by County to any approved delegatee or assignee on any claim under this Agreement, in consequence of any such consent, shall reduce dollar for dollar any claims which Contractor may have against County and shall be subject to set off, recoupment, or other reduction for any claims which County may have against Contractor, whether under this Agreement or otherwise.

18.2   Shareholders, partners, members or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority voting control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling voting interest therein at the time of execution of this Agreement, if known to Contractor, Contractor shall notify County of such disposition in writing in accordance with the applicable provisions of this Agreement.

18.3   Any assumptions, assignment, delegation or takeover of any of Contractor's duties, responsibilities, obligations or performance of same by any entity other than Contractor, whether through assignment, subcontract, delegation, merger, buyout or other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

19.   SUBCONTRACTING

19.1   County has relied, in entering into this Agreement, on the reputation of and on obtaining the personal performance of Contractor itself. Consequently, no performance of this Agreement, or any portion thereof, shall be subcontracted by Contractor without the prior written approval of County as provided in this Paragraph 19. Any attempt by Contractor to subcontract any performance under this Agreement without the prior written consent of County shall be null and void and shall be

deemed a material breach of this Agreement, upon which County may immediately terminate this Agreement.

19.2 If Contractor desires to subcontract any portion of its performance under this Agreement, Contractor shall provide to County, in writing, a request for written approval to enter into the particular subcontract, which request shall include:

1. The reason(s) for the particular subcontract;

2. Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected;

3. A detailed description of the work to be performed by the proposed subcontractor;

4. Confidentiality provisions applicable to the proposed subcontractor's officers, employees and agents, which would be incorporated into the subcontract;

5. A representation that the proposed subcontract agreement shall, at a minimum:

    a. include representations and warranties by subcontractor that subcontractor (i) is qualified to perform the work for which subcontractor has been hired; (ii) maintains the insurance required by this Agreement, and (iii) is solely liable and responsible for any and all of its taxes, payments and compensation, including compensation to its employees;

    b. provide for indemnification by subcontractor of County and Contractor under the same terms and conditions as the indemnification provisions of this Agreement set forth in Paragraphs 14 (Indemnification) and 17 (Intellectual Property Indemnification); and

    c. include (i) Exhibit E (Confidentiality and Assignment Agreement), (ii) Exhibit F (Contractor's EEO Certification), and (iii) Exhibit H (Safely Surrendered Baby Law).

6. Unless otherwise waived by County, copies of certificates of insurance from the proposed subcontractor which establish that the subcontractor maintains the minimum programs of insurance required by County.

7. Other pertinent information and/or certifications requested by County.

19.3 County will review Contractor's request to subcontract and determine on a case-by-case basis whether or not to consent to such request, which consent shall not be unreasonably withheld.

19.4 Subject to and in addition to the provisions of Paragraph 14 (Indemnification), Contractor shall indemnify, defend and hold harmless County, its officers, employees and agents, from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, defense costs and legal, accounting or other expert consulting or professional fees in any way arising from or related to Contractor's use of any subcontractor, including, without limitation, any officers, employees or agents of any subcontractor, in the same manner as required for Contractor, its officers, employees and agents, under this Agreement.

19.5   Notwithstanding County's consent to any subcontracting, Contractor shall remain fully responsible for any and all performance required of it under this Agreement, including those which Contractor has determined to subcontract, including, but not limited to, the obligation to properly supervise, coordinate and perform all work required under this Agreement. All subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. Furthermore, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County, nor shall such approval limit in any way any of County's rights or remedies contained in this Agreement. Additionally, County's approval of any subcontract shall not be construed in any way to constitute the determination of the allowableness or appropriateness of any cost or payment under this Agreement.

19.6   County's consent to any subcontracting shall not waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor shall notify its subcontractors of this County's right prior to subcontractors commencing performance under this Agreement. Contractor shall assure that any subcontractor personnel not approved in writing by County shall be immediately removed from the provision of any services under the particular subcontract or that other action is taken as requested by County.

Further, in the event that County consents to any subcontracting, such consent shall be subject to County's right to terminate, in whole or in part, any subcontract at any time upon written notice to Contractor when such subcontractor is deemed by County to be in material breach of its subcontract or this Agreement. County shall not be liable or responsible in any way to Contractor, to any subcontractor, or to any officers, employees, or agents of Contractor or any subcontractor, for any claims, demands, damages, liabilities, losses, costs, or expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, in any way arising from or related to County's exercise of such right.

19.7   Notwithstanding County's consent to any subcontracting, Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors, and their officers, employees, agents, and successors in interest, for any services performed by subcontractors under this Agreement.

19.8   In the event that County consents to any subcontracting, for each subcontract entered into by Contractor, Contractor shall deliver to County's Project Director, immediately after the effective date of the subcontract but in no event later than the date any work is performed under the subcontract:

1.   An executed Exhibit E (Confidentiality and Assignment Agreement) for each subcontractor approved to perform work under this Agreement on behalf of such subcontractor and all of employees who will be performing such work; and

2.   Unless otherwise waived by County, certificates of insurance which establish that the subcontractor maintains the minimum programs of insurance required by County under this Agreement.

19.9   In the event that County consents to any subcontracting, such consent shall apply to each particular subcontract only and shall not be, or be construed to be, a waiver of this Paragraph 19 or a blanket consent to any further subcontracting.

20.   DISCLOSURE OF INFORMATION

20.1   <u>DISCLOSURE OF AGREEMENT</u>

Contractor shall not disclose any terms or conditions of, or any circumstances or events that occur during the performance of, this Agreement to any person or entity except as may be otherwise provided herein or required by law. In the event Contractor receives any court or administrative agency order, service of process, or request by any person or entity (other than Contractor's professionals) for disclosure of any such details, Contractor shall, to the extent allowed by law or such order, promptly notify County's Project Director. Thereafter, Contractor shall comply with such order, process or request only to the extent required by applicable law. Notwithstanding the preceding sentence, to the extent permitted by law, Contractor shall delay such compliance and cooperate with County to obtain relief from such obligations to disclose until County shall have been given a reasonable opportunity to obtain such relief.

However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publicizing its role under this Agreement under the following conditions:

1.   Contractor shall develop all publicity material in a professional manner.

2.   During the term of this Agreement, Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County's Project Director for each such item.

3.   Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 20 shall apply.

20.2   <u>REQUIRED DISCLOSURES</u>

Notwithstanding any other provision of this Agreement, either party may disclose information about the other that: (i) is lawfully in the public domain at the time of disclosure; (ii) is disclosed with the prior written approval of the party to which such information pertains; or (iii) is required by law to be disclosed.

21. CONFIDENTIALITY AND SECURITY

21.1 CONFIDENTIALITY

21.1.1 CONFIDENTIAL INFORMATION

Each party shall protect, secure and keep confidential all records, materials, documents, data and/or other information, including, but not limited to, billing and sensitive financial information, County records, County Data, County Materials, System Solution, Work Product, System Software, Participant records and information, other DPSS records, health information and any other data, records and information, received, obtained and/or produced under the provisions of this Agreement (hereinafter "Confidential Information"), in accordance with the terms of this Agreement and all applicable Federal, State or local laws, regulations, ordinances, and publicly known guidelines and directives relating to confidentiality. As used in this Agreement, the term "Confidential Information" shall also include records, materials, data and information deemed confidential by County or the applicable law under Paragraph 3.4 (Rules and Regulations). Each party shall use whatever appropriate security measures are necessary to protect such Confidential Information from loss, damage and/or unauthorized dissemination by any cause, including but not limited to fire and theft.

Contractor shall inform all of its officers, employees, agents and subcontractors providing Work hereunder of the confidentiality provisions of this Agreement. Contractor shall ensure that all of its officers, employees, agents and subcontractors performing Work hereunder have entered into confidentiality agreements no less protective of County than the terms of this Agreement, including this Paragraph 21 and Exhibit E (Confidentiality and Assignment Agreement).

21.1.2 DISCLOSURE

With respect to any Confidential Information, specifically including any identifiable information concerning any Participant, that is obtained by Contractor or any other records, materials, data or information (hereinafter collectively for the purpose of this Paragraph 21.1.2 "information"), Contractor shall: (i) not use any such information for any purpose whatsoever other than carrying out the express terms of this Agreement; (ii) promptly transmit to County all requests for disclosure of any such information; (iii) not disclose, except as otherwise specifically permitted by this Agreement, any such information to any person or organization other than County without County's prior written authorization that the information is releasable; and (iv) at the expiration or termination of this Agreement, return all such information to County or maintain such information according to the written procedures provided to Contractor by County for this purpose.

Under State law, including Welfare & Institutions Code, Section 10850 and California Department of Social Services (CDSS), Manual of Policies and Procedures, Division 19, Section 10859 et seq. and 17006, all of the case records and information pertaining to individuals receiving aid are confidential and no information related to any individual case or cases shall be in any way relayed to

anyone except those employees of County so designated without written authorization from County.

21.1.3 INDEMNIFICATION

Subject to and in addition to the provisions of Paragraph 14 (Indemnification), Contractor shall indemnify, defend and hold harmless County, its officers, employees, and agents, from and against any and all loss, damage, liability and expense, including, but not limited to, defense costs and reasonable legal, accounting and other expert, consulting or professional fees, arising from any disclosure of such records and information by Contractor, its officers, employees, or agents, except for any disclosure authorized by this Paragraph 21.

21.2 SECURITY

21.2.1 SYSTEM SECURITY

Notwithstanding anything to the contrary herein, Contractor shall provide all Work utilizing security technologies and techniques in accordance with the industry standards, Contractor's best practices and applicable County security policies, procedures and requirements provided by County to Contractor in writing as part of the RFP, this Agreement or otherwise as required by law (e.g., Schedule D.1 (County's Remote Access Policies), Schedule D.2 (LA County Extranet IT security standards (Draft)) and Schedule D.3 (County's IT Security Standards)), including those relating to the prevention and detection of fraud or other inappropriate use or access of systems and networks. Without limiting the generality of the foregoing, Contractor shall implement and use network management and maintenance applications and tools and fraud prevention and detection and encryption technologies and prevent the introduction of any Disabling Device into the System. In no event shall Contractor's actions or inaction result in any situation that is less secure than the security that Contractor then provides for its own systems and data.

21.2.2 SYSTEM DATA SECURITY

Contractor hereby acknowledges the right of privacy of all persons as to whom there exists any System Data, including County Data. Contractor shall protect, secure and keep confidential all System Data in compliance with all federal, state and local laws, rules, regulations, ordinances, and publicly known guidelines and directives, relating to confidentiality and information security (including any breach of the security of the System, such as any unauthorized acquisition of System Data that compromises the security, confidentiality or integrity of personal information), including California Civil Code Section 1798.82 and California Welfare and Institutions Code Section 10850. Further, Contractor shall take all reasonable actions necessary or advisable to protect all System Data in its possession, custody or control from loss or damage by any cause, including fire, theft or other catastrophe. In addition, if requested by County's Project Director, Contractor shall provide notification to all persons whose unencrypted personal information was, or is reasonably believed to have been, acquired by any unauthorized person, and the content, method and timing of such notification shall be subject to the prior approval of County's Project Director.

Contractor shall not use System Data for any purpose or reason other than to fulfill its obligations under this Agreement.

21.3   REMEDIES

Contractor acknowledges that a breach by Contractor of this Paragraph 21 may result in irreparable injury to County that may not be adequately compensated by monetary damages and that, in addition to County's other rights under this Paragraph 21 and at law and in equity, County shall have the right to seek injunctive relief to enforce the provisions of this Paragraph 21. The provisions of this Paragraph 21 shall survive the expiration of termination of this Agreement.

Contractor shall take all reasonable actions necessary or advisable to protect the System from loss or damage by any cause. Contractor shall bear the full risk of loss or damage to the System and any System Data by any cause other than resulting from force majeure or County's sole fault.

22.   TERMINATION FOR DEFAULT

22.1   County may, by written notice to Contractor, terminate the whole or any part of this Agreement if:

1.   Contractor fails to timely provide and/or satisfactorily perform any task, subtask, deliverable, goods, service or other Work within the times specified in this Agreement, including the finalized Project Schedule; or

2.   Contractor fails to demonstrate a high probability of timely fulfillment of the performance requirements under this Agreement; or

3.   Contractor fails to make progress as to endanger performance of this Agreement in accordance with its terms; or

4.   Contractor fails to perform or comply with any other provisions of this Agreement or materially breaches this Agreement;

and, unless a shorter cure period is expressly provided in this Agreement, does not cure such failure or fails to correct such failure or breach within thirty (30) days (or such longer period as County may authorize in writing) of receipt of written notice from County specifying such failure or breach, except that Contractor shall not be entitled to any cure period, and County may terminate immediately, in the event that Contractor's failure to perform or comply is not reasonably capable of being cured.

22.2   If, after County has given notice of termination under the provisions of this Paragraph 22.2, it is determined by County that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 23 (Termination for Convenience).

22.3   The rights and remedies of County provided in this Paragraph 22.3 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

23.   TERMINATION FOR CONVENIENCE

23.1   This Agreement may be terminated, in whole or in part, permanently or from time to time, when such action is deemed by County to be in its best interest. Termination of Work hereunder shall be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective, which shall be no less than sixty (60) calendar days after the notice is sent. In the event County has purported to terminate this Agreement for default by notice pursuant to Paragraph 22 (Termination for Default) and it has later been determined that Contractor was not in default, no additional notice shall be required upon such determination.

23.2   After receipt of a notice of termination, Contractor shall submit to County, in the form and with any certifications as may be prescribed by County, Contractor's termination claim and invoice. Such claim and invoice shall be submitted promptly in accordance with Paragraph 26 (Effect of Termination).

24.   TERMINATION FOR INSOLVENCY

24.1   County may terminate this Agreement immediately at any time upon the occurrence of any of the following:

1.   *Insolvency of Contractor*. Contractor shall be deemed to be insolvent if it has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code, provided that Contractor shall not be deemed insolvent if it has ceased in the normal course of business to pay its debts which are disputed in good faith and which are not related to this Agreement as determined by County;

2.   The filing of a voluntary or involuntary petition to have Contractor declared bankrupt, where the involuntary petition is not dismissed within sixty (60) days;

3.   The appointment of a receiver or trustee for Contractor; or

4.   The execution by Contractor of an assignment for the benefit of creditors.

24.2   The rights and remedies of County provided in this Paragraph 24 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

24.3   Contractor agrees that if Contractor as a debtor–in-possession, or if a trustee in bankruptcy, rejects this Agreement, County may elect to retain its rights under this Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 United States Code, Section 365(n)). Upon written request of County to Contractor or the trustee in bankruptcy, as applicable, Contractor or such trustee shall allow County to exercise all of its rights and benefits under this Agreement including, without limitation, such Section 365(n) (including, without limitation, the right to continued use of all source and object code versions of the Application Software and

related Documentation in accordance with the terms of the Source Code Escrow Agreement), and shall not interfere with the rights and benefits of County as provided therein. The foregoing shall survive the termination or expiration of this Agreement for any reason whatsoever.

25. TERMINATION FOR IMPROPER CONSIDERATION

25.1 County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, Amendment or extension of the Agreement or the making of any determinations with respect to Contractor's performance pursuant to this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

25.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County manager charged with the supervision of the employee or to County's Auditor-Controller Employee Fraud Hotline at (213) 974 0914 or (800) 544 6861.

25.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

26. EFFECT OF TERMINATION

In the event that either party, upon notice to the other, terminates this Agreement in whole or in part as provided herein, including pursuant to Paragraphs 22 (Termination for Default) through 25 (Termination for Improper Consideration), then:

1. Contractor and County shall continue the performance of this Agreement to the extent not terminated;

2. Contractor shall stop work under this Agreement on the date and to the extent specified in such notice and provide to County all completed Work and Work in progress, in a media reasonably requested by County;

3. Contractor shall promptly return to County any and all Confidential Information, including County Data and County Materials, that relate to that portion of the Agreement and Work terminated by County;

4. County shall pay Contractor all monies due in accordance with the terms of the Agreement for the Work completed up to the time of termination; and

5. Contractor shall return to County all monies paid by County, yet unearned by Contractor, including any prepaid Maintenance Fees, if applicable;

6. After receipt of the notice of termination, Contractor shall submit to County an invoice for Work completed in accordance with the terms of this Agreement with the exception of any disputed Work or any Work resulting in

termination for default. Such invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of Contractor to submit an invoice within such time allowed, County may determine the amount due to Contractor, if any, based on the progress payments for System Implementation, any Optional Work or System Maintenance, as applicable, and such determination shall be final. After such determination is made, County will pay Contractor the amount so determined by County.

7.   Notwithstanding the foregoing, upon termination for default pursuant to Paragraph 22 (Termination for Default) during System Implementation, Contractor shall return all monies paid by County to Contractor during such System Implementation, and County will return to Contractor all products of such terminated System Implementation;

8.   County shall have the rights set forth in Paragraphs 10.2 (License) and 10.3 (Source Code) to access and use the Source Code as set forth therein, including without limitation the right to modify all source and object code versions of the Application Software after such time as one of the Release Conditions described in Paragraph 10.3.2 (Source Code Release Conditions) has occurred which would permit County to use the Source Code;

9.   Upon termination by County for default pursuant to Paragraph 22 (Termination for Default) or for insolvency pursuant to Paragraph 24 (Termination for Insolvency), County shall have the right to procure, upon such terms and in such a manner as County may deem appropriate, goods, services and other Work, similar to those so terminated, and Contractor shall be liable to County for, and shall promptly pay to County by cash payment, any and all excess costs incurred by County, as determined by County, to procure and furnish such similar goods, services and other Work;

10. Contractor understands and agrees that County has obligations that it cannot satisfy without use of the System provided to County hereunder or an equivalent system, and that a failure to satisfy such obligations could result in irreparable damage to County and the entities it serves. Therefore, Contractor agrees that in the event of any termination of this Agreement, at County's option and notice to Contractor, Contractor and County will in good faith negotiate a Change Order for Optional Work relating to the DMS transition in accordance with Subtask 9.3.2 (Provide DMS Transition Support) of Exhibit A (Statement of Work) to be completed prior to the termination of the Agreement. In no event shall County's cost for such Optional Work exceed the Maximum Fixed Price specified in Schedule B.1 (Optional Work); and

11. In the event of termination of this Agreement for any reason, Contractor shall provide to County Transition License to all Components of the Application Software, including the Baseline Software, to use the Application software during the Transition Period, subject to the provisions of Paragraph 10.2 (License).

27.   RECORDS AND AUDITS

27.1   Contractor shall maintain accurate and complete financial records of its activities and operation relating to this Agreement in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement, provided such access rights do not constitute an unlawful invasion of the privacy rights of any Contractor employee and would not in the reasonable opinion of Contractor subject Contractor to legal liability. Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Agreement to the extent legally permissible. All such material, including, but not limited to, all financial records, employment records including time cards to the extent legally permissible, and proprietary data and information, shall be kept and maintained by Contractor and shall be made available to County electronically or otherwise during the term of this Agreement and for a period of five (5) years thereafter, unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County. If any such material is located outside Los Angeles County, then, at County's option, Contractor, upon County's request, shall provide such material to County electronically or in paper format. Any cost incurred by County as a result of travel in order to examine or otherwise audit Contractor's records outside of Los Angeles County shall be borne by County.

27.2   In the event that an audit is conducted of Contractor specifically regarding this Agreement by any Federal or State auditor, or by any auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. County will make a reasonable effort to maintain the confidentiality of such audit report(s).

27.3   Failure on the part of Contractor to comply with any of the provisions of this Paragraph 27 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

27.4   Beginning one (1) year after the Effective Date and every year thereafter, until the expiration or termination of this Agreement, Contractor shall, upon County's written request, submit to County a complete set of financial statements for the preceding Fiscal Year. Such statements shall be no more than eighteen (18) months old at the time of submission to County and shall, at a minimum, include a Balance Sheet (Statement of Financial Position) and Income Statement (Statement of Operations). If audited statements are available, they shall be submitted to meet this requirement. County reserves the right to request these financial statements on a more frequent basis and will so notify Contractor in writing. Such financial statements are Contractor's Confidential Information and may only be used by County to verify Contractor's financial status with regard to this Agreement.

28. INDEPENDENT CONTRACTOR STATUS

28.1 This Agreement is by and between County and Contractor and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between County and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.

28.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement, all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.

28.3 Contractor shall be solely liable and responsible for providing all workers' compensation insurance and benefits, liability insurance, employer taxes, compensation, and benefits to, or on behalf of, all persons performing work pursuant to this Agreement.

28.4 Notwithstanding the provisions of this Paragraph 28, the employees and agents of Contractor shall, while on the premises of County, comply with all rules and regulations of the premises, including, but not limited to, security requirements.

29. WARRANTY AGAINST CONTINGENT FEES

29.1 Contractor represents and warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

29.2 For breach of this warranty, County shall have the right to terminate this Agreement for default and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

30. DEFAULTED PROPERTY TAX REDUCTION PROGRAM

30.1 <u>CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM</u>

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses who benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term

of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

30.2   TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 30.1 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor pursuant to County Code Chapter 2.206.

31.   CONFLICT OF INTEREST

31.1   No County employee whose position with County enables such employee to influence the award of this Agreement or any competing agreements, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement.

No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any way participate in County's approval or ongoing evaluation of such work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

31.2   Contractor shall comply with all applicable conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which do or could create a conflict of interest. If Contractor hereafter becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

31.3   Failure by Contractor to comply with the provisions of this Paragraph 31 shall constitute a material breach of this Agreement.

32.   COUNTY'S QUALITY ASSURANCE PLAN

County, or its agent, will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms, conditions and performance standards of this Agreement. Contractor deficiencies, which County determines are severe or continuing and that may place performance of this Agreement in jeopardy, if not corrected, will be reported to County's Board of Supervisors along with a notice to Contractor. The report will include improvements and/or corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures within thirty (30) days of County's notice of Contractor deficiencies,

County may, at its sole option, terminate this Agreement, in whole or in part, pursuant to Paragraph 22 (Termination for Default) or Paragraph 23 (Termination for Convenience), or impose other penalties as specified in this Agreement.

33. FORCE MAJEURE

33.1 Except with respect to defaults of any subcontractor(s), Contractor shall not be liable for reasonable delays in the completion of work under this Agreement, if its failure to perform arises out of, and only, fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes or freight embargoes, but in every such case the failure to perform must be beyond the control and without any fault or negligence of Contractor.

33.2 If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for reasonable delays in the completion of the Work, unless the goods and/or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required schedule. Contractor agrees to use all reasonable commercial efforts to obtain such goods or services from other sources. As used in this Paragraph 33, the term "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

33.3 Notwithstanding anything herein to the contrary, County shall not be liable for any additional costs incurred by Contractor, or any subcontractor hereto, arising out of or resulting from any Contractor force majeure event.

34. UNLAWFUL SOLICITATION

Contractor shall inform all of its employees who provide services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees.

35. RE-SOLICITATION OF BIDS AND PROPOSALS

35.1 Contractor acknowledges that, prior to the expiration or earlier termination of this Agreement, County, in its sole discretion, may exercise its right to invite bids or request proposals for the continued provision of the goods and services delivered or contemplated under this Agreement. County shall make the determination to re-solicit bids or request proposals in accordance with applicable County policies.

35.2 Contractor acknowledges that County, in its sole discretion, may enter into an agreement for the future provision of goods and services, based upon the bids or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

36. **COMPLIANCE WITH APPLICABLE LAWS**

36.1   Contractor's activities hereunder shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, publicly known guidelines and directives, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference. Contractor shall have up to fifteen (15) days to correct any noncompliance with County rules, regulations, ordinances, and publicly known guidelines and directives following written notice from County including written copies of such applicable rules, regulations, ordinances, and publicly known guidelines and/or directives.

36.2   Subject to and in addition to the provisions of Paragraph 14 (Indemnification), Contractor shall indemnify, defend and hold harmless County, its officers, employees, and agents from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, but not limited to, defense costs and reasonable legal, accounting and other expert, consulting or professional fees, arising from or related to any violation on the part of Contractor, its employees, agents or subcontractors of any such laws, rules, regulations, ordinances, and publicly known guidelines or directives.

37. **FAIR LABOR STANDARDS**

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and, subject to and in addition to the provisions of Paragraph 14 (Indemnification), shall indemnify, defend and hold harmless County, its officers, employees and agents from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs and reasonable attorneys' fees arising under, any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by Contractor's employees for which County may be found jointly or solely liable.

38. **NONDISCRIMINATION AND COMPLIANCE WITH CIVIL RIGHTS LAWS**

38.1   Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries and holding companies will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status, sexual orientation or political affiliation, in compliance with all applicable Federal and State antidiscrimination laws and regulations.

38.2   Contractor shall, pursuant to Los Angeles County Code Section 4.32, certify to and comply with the provisions of the Contractor's EEO Certification (Exhibit F).

38.3   Contractor shall take affirmative action to ensure that applicants and employees are treated equally during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status, sexual orientation or political affiliation, in compliance with all applicable Federal and State antidiscrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

38.4   Contractor certifies and agrees that it will deal with its subcontractors, bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status, sexual orientation or political affiliation, except to the extent necessary to comply with applicable Federal and State antidiscrimination laws and regulations.

38.5   Contractor certifies that it, its affiliates, subsidiaries and holding companies are in compliance with all Federal, State, and local laws, including, but not limited to:

     1.   Title VII, Civil Rights Act of 1964;

     2.   Section 504, Rehabilitation Act of 1973;

     3.   Age Discrimination Act of 1975;

     4.   Title IX, Education Amendments of 1973, as applicable; and

     5.   Title 43, Part 17, Code of Federal Regulations, Subparts A & B,

and that no person shall, on the grounds of race, creed, color, national origin, political affiliation, marital status, sex, age, or handicap, be subject to discrimination as to any privileges or uses gained under this Agreement or under any project, program or activity supported by this Agreement.

38.6   To the extent permissible by applicable law, Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 38 when so requested by County.

38.7   If County finds that any of the provisions of this Paragraph 38 have been violated, such violation shall, at the election of County, constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement. While County reserves the right to determine independently that the antidiscrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal antidiscrimination laws or regulations shall constitute a finding by County that Contractor has violated the antidiscrimination provisions of this Agreement.

38.8   The parties agree that in the event Contractor is found to have violated the antidiscrimination provisions of this Agreement, and that such discrimination was directly associated with the performance of services provided under this Agreement, County may require, pursuant to Los Angeles County Code Section 4.32.010 (E), that Contractor pay the sum of Five Hundred Dollars ($500) for each such violation, in lieu of terminating or suspending this Agreement, as liquidated damages are extremely difficult to ascertain or calculate precisely. In the alternative, County may elect to terminate this Agreement pursuant to Paragraph 22 (Termination for Default).

39.   NONDISCRIMINATION IN SERVICES

39.1   Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with all applicable requirements of Federal and State law.

For the purpose of this Paragraph 39, discrimination in the provision of services may include, but is not limited to, the following: denying any person any service or benefit or the availability of the facility, providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others; subjecting any person to segregation or separate treatment in any manner related to the receipt of any service; restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit.

39.2 Contractor shall ensure that recipients of services under this Agreement are provided services without regard to race, color, religion, national origin, ancestry, sex, age, or condition of physical or mental handicap.

40. RESTRICTIONS ON LOBBYING

40.1 FEDERAL FUNDS PROJECTS

If any Federal funds are to be used to pay portion for any of Contractor's work under this Agreement, Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public law 101121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

40.2 COUNTY PROJECTS

Contractor, and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

41. EMPLOYMENT ELIGIBILITY VERIFICATION

41.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding employment of aliens and others and that all its employees performing services under this Agreement meet the citizenship or alien status requirements contained in Federal and State statutes and regulations, including but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99603).

41.2 Contractor shall obtain from all employees performing under this Agreement, prior to commencing any work hereunder, all verifications and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for the period prescribed by law.

41.3 Subject to and in addition to the provisions of Paragraph 14 (Indemnification), Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and reasonable legal, accounting and other expert, consulting or professional fees, arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

41.4 In the event Contractor fails to comply with the provisions of this Paragraph 41, County may, in its sole discretion, terminate this Agreement for default.

42. HIRING OF EMPLOYEES

42.1 <u>CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/ON RE-EMPLOYMENT LIST</u>

Should Contractor require additional or replacement personnel after the Effective Date to perform the work set forth herein, Contractor shall give first consideration for such employment openings to qualified permanent County employees who are targeted for layoff and qualified former County employees who are on a reemployment list during the term of this Agreement.

42.2 <u>CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT</u>

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

43. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

43.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County agreements are in compliance with their court ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

43.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with

all applicable provisions of State and Federal law, Contractor warrants that to the best of its knowledge it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653(a)) and California Unemployment Insurance Code Section 1088.5, and shall, implement all lawfully served Wage and Earnings Withholding Orders or County's Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

44.   TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 43 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by County's Child Support Services Department shall be grounds upon which the Auditor-Controller or County's Board of Supervisors may terminate this Agreement pursuant to Paragraph 22 (Termination for Default) and pursue debarment of Contractor pursuant to Paragraph 46 (Contractor Responsibility and Debarment).

45.   FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

46.   CONTRACTOR RESPONSIBILITY AND DEBARMENT

46.1   A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

46.2   Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles Code, if County acquires information concerning the performance of Contractor on this Agreement or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on, County agreements for a specified period of time, which generally will not exceed five (5) years, although may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing agreements Contractor may have with County.

46.3   County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (i) violated any term of a

contract with County or a nonprofit corporation created by County; (ii) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same; (iii) committed an act or offense which indicates a lack of business integrity or business honesty; or (iv) made or submitted a false claim against County or any other public entity.

46.4   If there is evidence that Contractor may be subject to debarment, County's Project Director, or his/her designee, will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board.

46.5   The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor, County's Project Director, or his/her designee, and County's departments shall be provided with an opportunity to object to the tentative proposed decision prior to its presentation to County's Board of Supervisors.

46.6   After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to County's Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

46.7   If Contractor has been debarred for a period longer than five (5) years, then Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that such Contractor has adequately demonstrated one or more of the following: (i) elimination of the grounds for which the debarment was imposed; (ii) a bona fide change in ownership or management; (iii) material evidence discovered after debarment was imposed; or (iv) any other reason that is in the best interests of County.

46.8   The Contractor Hearing Board will consider a request for review of a debarment determination only where (i) the requesting contractor has been debarred for a period longer than five (5) years, (ii) the debarment has been in effect for at least five (5) years and (iii) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing

shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

46.9   The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to County's Board of Supervisors. County's Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

46.10   The terms and procedures of this Paragraph 46 shall also apply to subcontractors, consultants and partners of Contractor performing work under this Agreement.

47.   COUNTY AUDIT SETTLEMENTS

If, at any time during or after the term of this Agreement or within five (5) years after the expiration of termination thereof, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit finds that County's dollar liability for such work is less than payments made by County to Contractor, then the difference due to County's overpayment (for the purpose of this Paragraph 47 only "Overpayment Amount") shall, at County's sole discretion, either be: (i) repaid by Contractor to County by cash payment upon demand; or (ii) at County's sole option, deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. In addition, for any difference due to County's overpayment that is greater than the lesser of (a) five percent (5%) of County's payment or (b) one hundred dollars ($100), then the Overpayment Amount to be reimbursed by Contractor to County as provided in the preceding sentence shall also include County's reasonable costs of the audit revealing such overpayment by County. If such audit finds that County's dollar liability for such work is more than payments made by County to Contractor, then the difference shall be repaid by County to Contractor, provided that in no event shall County's payments to Contractor exceed the Contract Sum.

48.   FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(i) of the Social Security Act (42 United States Code Section 1395x(v)(1)(i) is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to DPSS or to any of their authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars ($10,000) or more over a twelve month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

49. REQUIRED CERTIFICATIONS

Contractor shall obtain and maintain in effect during the term of this Agreement all applicable licenses, permits, registrations, accreditations and certificates required by all Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives, which are applicable to Contractor's services under this Agreement. Contractor shall further ensure that all of its officers, employees, agents and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates which are applicable to their performance hereunder. A copy of each such license, permit, registration, accreditation and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives shall be provided, in duplicate, to County's Project Director at the address set forth in Section I (County Key Personnel) of Exhibit G (Administration of Agreement).

50. NEW TECHNOLOGY

Contractor and County acknowledge the probability that the technology of the software and hardware which comprise the System will change and improve during the term of this Agreement. County desires the flexibility to incorporate into the System any new technologies as they may become available. Accordingly, Contractor's Project Manager shall, promptly upon discovery and on a continuing basis, apprise County's Project Director of all new technologies, methodologies and techniques which Contractor considers to be applicable to the System. Specifically, upon County's request, Contractor shall provide, in writing, a description of such new technologies, methodologies and techniques, indicating the advantages and disadvantages of incorporating same into the System, and provide an estimate of the impact such incorporation will have on the performance, scheduling and price of the System. County, at its sole discretion, may request that this Agreement be amended to incorporate the new technologies, methodologies and techniques into the System pursuant to the provisions of Paragraph 4 (Changes to Agreement).

51. NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder or any Third Party Software owners rights to enforce their rights of ownership.

52. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. As with respect to claims that are subject to

exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California.

53.   DISPUTE RESOLUTION PROCEDURE

53.1   Contractor and County agree to act immediately to mutually resolve any disputes which may arise with respect to this Agreement. All such disputes shall be subject to the provisions of this Paragraph 53 (such provisions shall be collectively referred to as the "Dispute Resolution Procedure"). Time is of the essence in the resolution of disputes.

53.2   Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder.

53.3   Subject to the provisions of Paragraph 9.4 (Payments), if Contractor fails to continue without delay its performance hereunder which County, in its sole discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor's failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs. Contractor shall promptly reimburse County for such County costs, as determined by County, or County may deduct all such additional costs from any amounts due to Contractor from County.

If County fails to continue without delay to perform its responsibilities under this Agreement which County determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or County as a result of County's failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs. County shall promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by County.

53.4   In the event of any dispute between the parties with respect to this Agreement, Contractor and County shall submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.

53.5   In the event that the Project Managers are unable to resolve the dispute within a reasonable time not to exceed ten (10) days from the date of submission of the dispute to them, then the matter shall be immediately submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.

53.6   In the event that the Project Directors are unable to resolve the dispute within a reasonable time not to exceed ten (10) days from the date of submission of the dispute to them, then the matter shall be immediately submitted to Contractor's President and the Director. These persons shall have ten (10) days to attempt to resolve the dispute.

53.7   In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Agreement and/or its rights and remedies as provided by law.

53.8   All disputes utilizing this dispute resolution procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in this Paragraph 53, the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face to face meeting or by telephone, or in writing by exchange of correspondence.

53.9   Notwithstanding the foregoing, in the event of County's infringement of Contractor's intellectual property rights under the Agreement or violation by either party of the confidentiality obligations hereunder, the violated party shall have the right to seek injunctive relief against the other without waiting for the outcome of the Dispute Resolution Procedure.

53.10   Notwithstanding any other provision of this Agreement, County's right to terminate this Agreement or to seek injunctive relief to enforce the provisions of Paragraphs 21 (Confidentiality and Security) shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights and shall not be deemed to impair any claims that County may have against Contractor or County's rights to assert such claims after any such termination or such injunctive relief has been obtained.

54.   WAIVER

No breach by either party of any provision of this Agreement can be waived unless done in writing. No waiver by either party of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

55.   CONTRACTOR PERFORMANCE DURING CIVIL UNREST AND DISASTER

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's or subcontractors' employees and suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services onsite, such staff members may perform any or all of their services remotely. Failure to comply with this requirement shall be considered a material

breach of this Agreement by Contractor, for which County may immediately terminate this Agreement.

56. DAMAGE TO COUNTY FACILITIES, BUILDINGS AND GROUNDS

56.1   Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

56.2   If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand or, without limitation of all County's other rights and remedies provided by law or under this Agreement, County may deduct such costs from any amounts due Contractor from County under this Agreement.

57. AUTHORIZATION WARRANTY

Contractor represents and warrants that the person executing this Agreement or any Amendment thereto pursuant to Paragraph 4 (Changes to Agreement) for or on behalf of Contractor is an authorized agent of Contractor who has actual authority to bind Contractor to each and every term, condition and obligation of this Agreement, and that all requirements of Contractor have been fulfilled to provide such actual authority.

58. FORMS AND PROCEDURES

All forms and procedures used by Contractor in communication with County pursuant to this Agreement shall be subject to review and approval by County. Such forms and procedures shall not conflict in any way with this Agreement and shall incorporate the terms and conditions of this Agreement. In the event of any conflict between such forms and procedures and this Agreement, the provisions of this Agreement shall prevail.

59. MINIMUM AGE, LANGUAGE SKILLS AND LEGAL STATUS OF CONTRACTOR PERSONNEL

Contractor cannot assign employees under the age of eighteen (18) to perform work under this Agreement. All of Contractor's employees working at County facilities must be able to communicate in English. Contractor's employees must be United States citizens or legally present and permitted to work in the United States.

60. VALIDITY AND SEVERABILITY

60.1   VALIDITY

The invalidity, unenforceability or illegality of any provision of this Agreement shall not render the other provisions hereof invalid, unenforceable or illegal, unless the essential purposes of this Agreement shall be materially impaired thereby.

60.2   SEVERABILITY

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement, if practicable, and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid in its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law. If any provision of this Agreement is adjudged void or invalid for any reason whatsoever, but would be valid if part of the wording thereof were deleted or changed, then such provision shall apply with such modifications as may be necessary to make it valid and effective.

61.   NOTICES

61.1   All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (i) by hand with signed receipt; (ii) by first class registered or certified mail, postage prepaid; or (iii) by facsimile or electronic mail transmission followed within twenty-four (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid. Notices shall be deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, or on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing. Addresses may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

61.2   Director shall have the authority to issue all notices or demands which are required or permitted to be issued by County under this Agreement.

61.3   *To County*, notices shall be sent to the attention of County's Project Manager and County's Project Director at the respective addresses specified in Section I (County Key Personnel) of Exhibit G (Administration of Agreement).

To Contractor, notices shall be sent to the attention of Contractor's Project Manager at the address specified in Section II (Contractor Key Personnel) of Exhibit G (Administration of Agreement), with a copy to: *SAS Institute Inc., ATTN: Office of General Counsel, 100 SAS Campus Drive, Cary, North Carolina 27513-8617.*

61.4   Each party may change the names of the people designated to receive notices pursuant to this Paragraph 61 by giving written notice of the change to the other party, subject to County's right of approval in accordance with Paragraph 3.3 (Approval of Contractor's Staff).

62.   NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any services provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after

expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. The provisions of this Paragraph 62 shall survive the expiration or other termination of this Agreement.

63.   ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of arm's length negotiations between Contractor and County. Consequently, each party has had the opportunity to receive advice from independent counsel of its own choosing. This Agreement is to be interpreted fairly as between the parties and not strictly construed as against either party.

64.   NON-EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

65.   ACCESS TO COUNTY FACILITIES

Contractor, its employees and agents, will be granted access to County facilities, subject to Contractor's prior notification to County's Project Director, for the purpose of executing Contractor's obligations hereunder. Access to County facilities shall be restricted to normal business hours, 8:00 a.m. until 5:00 p.m., Pacific Time, Monday through Friday, County observed holidays excepted. Access to County facilities outside of normal business hours must be approved in writing in advance by County's Project Director, which approval shall not be unreasonably withheld. Contractor shall have no tenancy, or any other property or other rights, in County facilities. While in nonpublic or restricted areas of County, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by County's Project Director.

66.   PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of Director, County's Project Director, County's Project Manager and the Director of County's Internal Services Department, in their discretion.

67.   DELIVERY AND RISK OF LOSS

Contractor shall bear the full risk of loss due to total or partial destruction of the System Components or System Software loaded on CDs or other computer media until such items are delivered to and accepted in writing by County.

68.   STAFF PERFORMANCE WHILE UNDER INFLUENCE

Contractor shall use reasonable efforts to ensure that no employee of Contractor shall perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance, which might impair his/her physical or mental performance.

69.   ASSIGNMENT BY COUNTY

This Agreement may be assigned in whole or in part by County, without the further consent of Contractor, to a party which is not a competitor of Contractor and which agrees in writing to perform County's obligations under this Agreement.

70.   CAPTIONS AND PARAGRAPH HEADINGS

Captions and paragraph headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement.

71.   NOTICE OF DELAYS

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall immediately, but no later than within one (1) business day, give to the other party notice thereof, with all relevant information with respect to such actual or potential delay, by telephoning the appropriate personnel of that party, followed by a written notification within one (1) business day.

72.   COUNTY POLICY REGARDING RECYCLED PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled content paper to the maximum extent possible for the purpose of this Agreement.

73.   COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

73.1   JURY SERVICE PROGRAM

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service Program (hereinafter "Jury Service Program" or "Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code (hereinafter "County Code").

73.2   WRITTEN EMPLOYEE JURY SERVICE POLICY

73.2.1   Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees (as defined in Paragraph 73.2.2 below) shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.

73.2.2   For purposes of this Paragraph 73, "Contractor" means a person, partnership, corporation or other entity which has an agreement with County or a subcontract

with Contractor and has received or will receive an aggregate sum of $50,000 or more in any twelve (12) month period under one or more County agreements or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a longstanding practice that defines the lesser number of hours as fulltime. Fulltime employees providing short term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered fulltime for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 73. The provisions of this Paragraph 73 shall be inserted into any such subcontract and a copy of the Jury Service Program shall be attached to the agreement.

73.2.3   If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during this Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

73.2.4   Contractor's violation of this Paragraph 73 of this Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate this Agreement with Contractor and/or bar Contractor from the award of future County agreements for a period of time consistent with the seriousness of the breach.

74.   CHARITABLE ACTIVITIES COMPLIANCE

The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. The "Nonprofit Integrity Act of 2004" (SB 1262, Chapter 919) increased Charitable Purposes Act requirements. Contractor shall complete the certification in Exhibit I (Charitable Contributions Certification). By requiring contractors to complete the certification in Exhibit I (Charitable Contributions Certification), County seeks to ensure that all County contractors which receive or raise charitable contributions comply with the California law in order to protect County and its taxpayers. By receiving or raising charitable contributions without complying with its obligations under California law, Contractor commits a material breach of this Agreement, subjecting it to either Agreement termination or debarment proceedings or both (County Code Chapter 2.202).

75. **CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW**

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County's Contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

76. **NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW**

Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit H (Safely Surrendered Baby Law) of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

77. **LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM**

77.1 This Agreement is subject to the provisions of County's ordinance entitled Local Small Business Enterprise (SBE) Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.

77.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.

77.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.

77.4 If Contractor has obtained County certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, when Contractor knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification Contractor has been awarded this Agreement to which it would not otherwise have been entitled, Contractor shall:

1. Pay to County any difference between the Agreement amount and what County's costs would have been if the Agreement had been properly awarded; and

2. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

77.5 The above shall also apply if Contractor is no longer eligible for certification as a result of a change of its status and Contractor failed to notify the State and County's Office of Affirmative Action Compliance of this information.

78. SHRED DOCUMENTS

Contractor shall ensure that all confidential documents/papers, as defined under State law (including, but not limited to Welfare & Institutions Code Sections 10850, 17006) relating to this Agreement must be shredded and not put in trash containers when Contractor disposes of these documents/papers. All documents/papers to be shredded are to be placed in a locked or secured container/bin/box and labeled "shred" until they are destroyed. No confidential documents/papers are to be recycled.

Documents for record and retention purposes in accordance with Paragraph 27 (Records and Audits) of this Agreement are to be maintained for a period of five (5) years.

79. SURVIVAL

In addition to any provisions in this Agreement which specifically state that they shall survive the termination or expiration of the Agreement, the provisions in the following Paragraphs shall also survive the expiration or termination of this Agreement for any reason:

2.4	Approval of Work
9.5	County's Right to Withhold Payment
10.	System Ownership and License
13.	Warranties and Correction of Deficiencies
14.	Indemnification
15.	Insurance and Performance Security
16.	Proprietary Considerations
17.	Intellectual Property Indemnification
20.	Disclosure of Information
21.	Confidentiality and Security
22.	Termination for Default
23.	Termination for Convenience
24.	Termination for Insolvency
25.	Termination for Improper Consideration

IN WITNESS WHEREOF, Contractor has executed this Agreement, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
          Deputy

COUNTY OF LOS ANGELES

By _____
          Chair, Board of Supervisors

CONTRACTOR

By _____

S.sas.   Victoria P. Clayton
             Senior Manager
             Contracts Administration
             SAS Institute Inc.
_____
          Print Name

Title _____
       (AFFIX CORPORATE SEAL HERE)

ATTEST:
SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By _____
          Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By _____
Victoria Mansourian
Deputy County Counsel
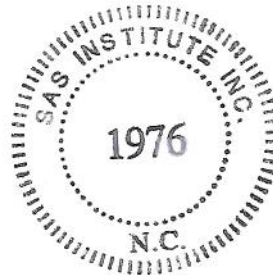
ADOPTED
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BASE AGREEMENT
DATA MINING SOLUTION (DMS)

90

SACHI A. HAMAI
EXECUTIVE OFFICER

DATA MINING SOLUTION (DMS)
FOR
CHILD CARE FRAUD DETECTION

EXHIBIT A – STATEMENT OF WORK (SOW)

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1. INTRODUCTION AND OVERVIEW

This Exhibit A (Statement of Work) describes the tasks, subtask, deliverables and other Work ("SOW") to be provided by Contractor to County as part of the DMS Project, including System Implementation, System Maintenance and any Optional Work, which shall meet the requirements of this Agreement, including Attachment A.1 (System Requirements) and Exhibit D (System Maintenance). Contractor shall perform, complete, and deliver all Work, however denoted, as set forth in this SOW, or in any attached or referenced document in full compliance with the Agreement.

1.1 PROJECT BACKGROUND

County's Chief Executive Office ("CEO") and Department of Public Social Services ("DPSS") conducted a pilot ("Pilot") between May and November of 2008 to determine the business value of implementing data mining software for the purposes of detection and prevention of public assistance fraud. The application of data mining software was limited to three primary predictive models and the analysis applied only to DPSS' Stage 1 Child Care Program for CalWORKs participants. In order to demonstrate the predictive capacities of the data mining software, the pilot used DPSS' administrative records on child care providers between January 2001 and December 2007. The software's fraud analysis capability was demonstrated in three categories: (1) cases with characteristics placing them at a high risk for fraud; (2) cases showing significant anomalies; (3) potential fraud rings and collusion activities.

The data mining Pilot achieved an 85 percent accuracy rate in detecting collusive fraud rings. The results of the Pilot show that the use of data mining software as a fraud detection tool would have enabled cost avoidance in three areas: (1) new fraud referrals, resulting in an annual gross cost avoidance of at least $2.2 million; (2) early detection of fraud, resulting in an annual gross cost avoidance of $1.6 million; (3) increased efficiency, resulting in an annual gross cost avoidance of $3 million. The total annual gross cost avoidance in these areas would, therefore, have been at least $6.8 million. Furthermore, the results indicated that the cost avoidance could possibly increase with additional data sources and further utilization of additional predictive fraud detection models not included in the Pilot.

On January 6, 2009 County's Board of Supervisors passed a motion that directed the CEO to develop a strategy for the implementation of data mining technology to target fraud in the CalWORKs Stage 1 Child Care program. The CEO reported back to the Board with a recommendation to procure the necessary technology through a competitive procurement process. The present RFP embodies County's effort to solicit competitive bids from potential vendors.

1.2   PROJECT OBJECTIVES

The general objective of this Project is to implement a technology solution ("DMS Solution"), which will assist in the detection and prevention of fraudulent activities among individuals or groups participating in County's Stage 1 Child Care Program for CalWORKs participants.

This Statement of Work consists of instructions, tasks, subtasks, deliverables, goods, services and other work (hereinafter "Work") and, unless specified otherwise, includes a Project Schedule. Capitalized terms used in this Statement of Work without definitions have the meanings given to such terms in the body of the Agreement. All Work under this Agreement shall be performed at the rates and fees set forth in Exhibit B (Schedule of Payments).

Contractor shall perform, complete and deliver all Work, however denoted, as set forth in this Statement of Work. Also defined herein are those Tasks and Subtasks that involve participation of both Contractor and County. Unless otherwise specified as an obligation of County, Contractor shall perform all Tasks and Subtasks and provide all Deliverables as defined herein. For the purpose of this Agreement, a Deliverable shall be deemed complete upon County's approval and acceptance thereof subject to the provisions of the Agreement, irrespective of the number of tries it takes Contractor to provide a successful Deliverable.

Contractor shall provide a comprehensive child care fraud platform and solutions including the installation and configuration of the necessary data mining software, the provision of data quality and data integration solutions, the development of analytic models and the provision of other services to implement Los Angeles County's Data Mining Solution as necessary to meet the technical, functional and business requirements set forth in Attachment A.1 (System Requirements). The general objective of this Project is to implement a technology solution which will assist in the detection and prevention of fraudulent activity among individuals or groups participating in County's Stage 1 Child Care Program for CalWORKs participants.

Unless otherwise specified herein, the Tasks, Subtasks and Deliverables in this Statement of Work are subject to the System Requirements and shall be subject to County approval, as set forth in Paragraph 5 (Scope of Work) of the Base Agreement.

2.   **INSTRUCTIONS**

Contractor shall submit each Deliverable to County in one (1) or more hard cover 8 ½ by 11 inch three-ring binders, single sided sheets, 12 point Arial or New Times Roman font, with separated and partitioned sections as required.

Contractor shall submit each Deliverable and provide an electronic copy in the Microsoft Office Suite version specified by County.

3.   SCOPE OF WORK

This section describes the primary Work that Contractor shall perform, which includes:

1. **Task 1 - Project Administration**

2. **Task 2 – Analyze System Requirements**

3. **Task 3 – System Setup**

4. **Task 4 – Implement System Software**

5. **Task 5 – System Testing**

6. **Task 6 – Final Acceptance**

7. **Task 7 - Training**

8. **Task 8 – System Documentation**

9. **Task 9 – System Maintenance**

10. **Task 10 – Optional Work**

To accomplish the Work, Contractor shall work collaboratively with key stakeholders, including Users, and State and federal governments and other external agencies whose System Data will interface with the DMS.

TASK 1 – PROJECT ADMINISTRATION

Contractor shall establish a Project Office to provide full project management, planning, monitoring, supervision, tracking and control for all Project activities during the term of the Agreement. Contractor shall employ project management standards and practices in the performance of all Work.

SUBTASK 1.1 – DEVELOP PROJECT CONTROL DOCUMENT

Contractor shall review the System Requirements with County's Project Manager. Based upon that review, Contractor shall prepare a Project Control Document ("PCD") and submit it for written approval to County's Project Manager. Any subsequent significant modifications to the PCD shall be subject to the provisions of the body of the Agreement.

Contractor's Project Manager and County's Project Manager shall report Project status on a regular basis as required by County and shall participate in status meetings monthly, or as otherwise agreed to by County and Contractor.

DELIVERABLE 1.1 – PROJECT CONTROL DOCUMENT

Contractor shall provide the PCD, which, at a minimum, shall include the following information:

1. All Work described in this Statement of Work and elsewhere in the Agreement;
2. A Project Work Plan (in this Exhibit A "PWP"), developed in County-specified version of Microsoft Project, which shall include:
   a. All Deliverables, including those referenced in the Schedule of Payments,
   b. All Tasks, Subtasks, and other Work,
   c. Associated dependencies among Deliverables, Tasks, Subtasks and other Work,
   d. Resources assigned to each Deliverable, Task, Subtask and other Work;
   e. Start date and date of completion for each Deliverable, Task, Subtask and other Work,
   f. Proposed County review period for each Deliverable, and
   g. Proposed milestones;
3. Identification of all Contractor's Key Personnel;
4. A comprehensive Deficiency Management Plan (in this Exhibit A "DMP"), documenting the approach to Deficiency management, including methodology, recommended tool(s) and escalation process;
5. Approach to Project communications;
6. A comprehensive Risk Management Plan (in this Exhibit A "RMP"), documenting the approach to risk analysis (e.g., the evaluation of risks and risk interactions to assess the range of possible project outcomes), risk mitigation (e.g., the identification of ways to minimize or eliminate project risks) and risk tracking/control (e.g., a method to ensure that all steps of the risk management process are being followed and, risks are being mitigated effectively). The RMP shall have a clearly established process for problem escalation and shall be updated, as needed, through the term of the Agreement;
7. Initial identification of risks that may impact the timely delivery of the DMS, probability and potential impact, recommended mitigation strategy and impact of implementing any risk mitigation strategies;
8. Project staffing and resource management plan; and
9. Configuration and Change Management Plan (in this Exhibit A "CCMP"). Changes, in this context, refer to changing the functionality of or adding additional functionality (e.g., changes to the project scope) to any DMS Component. The approach shall ensure that the impacts and rationale for each change are analyzed and coordinated prior to being approved. The CCMP may vary from item to item, as determined by County's Project Director.

Contractor shall prepare a Project Work Plan in accordance with Subtask 1.1 – Develop Project Control Document. The PCD shall provide for the System installation and configuration plan, including as it relates to the System Software and System Environment, implementation of the System Software, development of data quality and data integration tasks (also "DQ&I"), development of fraud detection models, development of the end-user Interfaces, system administration and security, technical support and knowledge transfer, and related Documentation.

The PCD may be modified only if such modification has been approved in advance in writing by County's Project Manager.

SUBTASK 1.2 – PREPARE STATUS REPORTS AND CONDUCT CONFERENCES

Contractor shall provide ongoing Project administration, which shall include, but not be limited to, the following:

1. DMS monthly status reports; and
2. Updates to the PCD, including PWP and RMP.

Contractor's Project Manager shall provide full project management and control of Project activities. Contractor's Project Manager shall present to County's Project Manager a written Status Report (in this Exhibit A "Status Report") documenting Project progress, plans and outstanding issues. Contractor's Project Manager shall meet with or conduct a status update phone call with County's Project Manager on a weekly basis, or as otherwise agreed to by County and Contractor, to review Project Status Reports and any related matters. All variances shall be presented to County for approval at the status meeting. The first report shall be presented to County's Project Manager one (1) week following the Effective Date in a format approved by County.

This Subtask shall include, but not be limited to:

1. Project planning and direction;
2. Contractor staffing and personnel matters, including management of Contractor technical staff;
3. Evaluation of results and status reporting;
4. Incorporation of County's System Requirements, including all business, functional and technical requirements;
5. Incorporation of required software modification, if any; and
6. Management and tracking of all issues and their resolution.

Contractor's Project Manager and County's Project Manager shall report Project status on a regular basis and shall participate in monthly status meetings. The project and reporting system shall include, but not be limited to, the following components:

1. Kick off meeting;
2. Updated PCD; and
3. Status Reports and meetings or teleconferences.

The Project Status Reports prepared by Contractor's Project Manager pursuant to this Subtask 1.2 – Prepare Status Reports and Conduct Conferences shall be used as the mechanism for Contractor to report any Project risks or problems identified as part of the implementation process.

DELIVERABLE 1.2 – STATUS REPORTS AND CONFERENCES

Contractor's Project Manager shall prepare and present to County's Project Manager a written Status Report documenting project progress, plans, and outstanding issues. Contractor's Project Manager shall meet with or conduct a status update phone call with County's Project Manager at least monthly, or as otherwise agreed to by County and Contractor, to review these Project Status Reports and any related matters. All variances shall be presented for approval by County at the status conferences. The first report shall be presented to County's Project Manager one (1) week following the Effective Date in a format approved by County.

SUBTASK 1.3 – ESTABLISH PROJECT OFFICE

Contractor shall establish and maintain throughout the term of this Agreement a local office to be utilized solely for the purpose of the Project and this Agreement ("Project Office"). Contractor shall provide necessary hardware, software and other equipment for the Project Office. In addition, Contractor shall meet the following minimum requirements:

A. Provide a Project Office within a forty (40) mile radius of the Chief Executive Office (CEO) - Service Integration Branch (SIB) located at 222 S. Hill Street, 5th Floor, Los Angeles, CA 90012;

B. Provide a Help Desk utilizing SAS' existing processes and procedures;

C. Provide conference facilities and ample space to conduct JAD sessions for Contractor development team and County use. These conference facilities shall include appropriate furniture and equipment such as white boards, PC projectors, and conference phones, etc.;

D. Provide dedicated space and equipment for training sessions and demonstrations;

E. Provide security, building maintenance, office management, heating and air-conditioning and parking for County staff, Contractor staff, Subcontractors, Joint Application Development (JAD) session participants and others as appropriate; and

F. Provide adequate electrical lines, isolated grounded data drops, phone ports, LANs and connectivity to the Los Angeles County Enterprise Network (LANet/EN), Internet access, County Intranet access, DPSS e-mail or other e-mail access using software versions which are compatible to County's current usage.

DELIVERABLE 1.3 – PROJECT OFFICE CERTIFICATION

Contractor shall certify to County, in writing on corporate letterhead, signed by Contractor's Project Director, that the Project Office has been established and meets all of the applicable Specifications in accordance with Subtask 1.3 – Establish Project Office.

SUBTASK 1.4 – PROVIDE WEB-SERVER HOSTING

Contractor shall provide web-server hosting for both Production Server and Back-Up Server ("Web-Server Hosting"). The Web-Server Hosting site for the Production Server shall be located within the forty-eight (48) contiguous United States and Back-Up server shall be located within the State of California. Contractor shall be fully responsible for securing and maintaining both Web-Server Hosting sites throughout the term of this Agreement. Contractor shall provide necessary and be responsible for all hardware, software and other equipment for Web-Server Hosting.

DELIVERABLE 1.4 – WEB-SERVER HOSTING CERTIFICATION

Contractor shall certify to County, in writing on corporate letterhead, signed by the Contractor's Project Director, that the Web-Server Hosting sites for both Production Server and Back-Up Server have been established and meet all applicable Specifications for the System.

TASK 2 – ANALYZE SYSTEM REQUIREMENTS

Contractor, with assistance and cooperation from County's Project Manager, shall analyze and validate the System Requirements for the implementation of the DMS for the prevention of child care fraud, including business, operational, functional, technical and other requirements relating to the System Requirements.

This Task includes, but is not limited to, the following:

A. Reviewing the current processes, System Requirements and all other pertinent material, which County may provide, that is related to Stage 1 Child Care Program for CalWORKs participants;

B. Conducting clarification sessions with County's staff and County designated key Users of the System to ensure a mutual understanding of the System Requirements;

C. Understanding the business environment, organizational and Project objectives and requesting additional information, as appropriate, to ensure a thorough understanding of the System Requirements;

D. Providing and utilizing an environmentally safe and energy efficient System Hardware, for this Agreement;

E. Assessing the System Environment, security and networking requirements for the implementation of the DMS;

F. Establishing development, test and production environments necessary for the deployment of the DMS;

G. Assessing the System Hardware requirements for the Production Server and the Back-Up Server Web-Server Hosting necessary for the implementation of the DMS;

H. Assessing the System Software for the implementation of the DMS;

I. Establishing a web enabled browser-based access ("Web Services") from County workstations, laptops and other devices;

J. Establishing security standards for the DMS that are consistent with County security requirements (e.g., those documented in the Los Angeles County Board of Supervisors Policy Manual, such as Policy Number 6.100 et seq.);

K. Identifying network security architecture, including approach, which provides single sign-on, minimizes password administration and optimizes security of the DMS data integrity and access;

L. Establishing Business Continuity and Back-Up Server approach, including the effect on the DMS performance requirements; and

M. Documenting the System general requirements, security requirements, operational requirements, technical requirements and minimum business requirements, including subject areas, information needs, user profiles, IT standards, processing, storage and response time requirements, personnel and resources available, data sources and source systems, data quality issues, security considerations, access profiles, dimensional models, load and update requirements, training needs and System architecture.

County staff will be participating in the System Requirements meetings and will be available to provide feedback to Contractor team during the Assessment and Requirements Document (in this Exhibit A "A&R Document") review.

DELIVERABLE 2 – ASSESSMENT AND REQUIREMENTS DOCUMENT

Contractor shall provide an Assessment and Requirements Document, prepared by Contractor pursuant to Task 2 – Analyze System Requirements, that will address the specific implementation requirements of the DMS relating to all items listed in such Task 2 – Analyze System Requirements, including System Software, System Hardware, System Network accessibility, System security, data sources, data quality and data integration structure. The A&R Document will serve as the foundation for all Work to be performed by Contractor under the Agreement.

TASK 3 – SYSTEM SETUP

SUBTASK 3.1 – DEVELOP DESIGN SPECIFICATIONS DOCUMENT

Contractor shall work with County staff to create the Project design specifications document ("Design Specifications Document"), based on the requirements specified under Task 2 – Analyze System Requirements, and in the following areas:

1. Data Specifications (input/output sources);
2. Data profiling procedures;
3. Data quality design (standardization/validation/reduplication/matching logic);
4. Geo-coding and address verification procedures;
5. Data model and metadata environment design;
6. Data Repository;
7. Extract, Transform, Load (ETL);

8. Development of Predictive Data Mining Models;

9. Evaluation of Predictive Data Mining Models;

10. Deployment of Predictive Data Mining Models;

11. Deployment of End-User Interfaces;

12. Scheduling and security processes;

13. Technical architecture specification; and

14. Test Plans.

County will be responsible for ensuring that Contractor's team has complete access to appropriate County staff, facilities and information pertaining to data dictionaries, data models, network diagrams, etc. for all data sources, as well as providing feedback to Contractor's team during the Design Specifications Document review.

DELIVERABLE 3.1 – DESIGN SPECIFICATIONS DOCUMENT

Contractor shall submit the project Design Specifications Document, which will document and address the following:

1. All items under Subtask 3.1 – Develop Design Specifications Document and System Requirements specified in Task 2 – Analyze System Requirements;

2. Various data sources and relevant fields;

3. Periodicity of update;

4. Methodology to extract, transform and load the analytic data;

5. Scheduling of jobs to run automatically;

6. Data quality procedures;

7. Data integration procedures;

8. Physical and logical directory path locations;

9. Format library specifications, and update tools;

10. Predictive Data Mining Models;

11. End-User Interfaces; and

12. Security administration elements.

SUBTASK 3.2 – SPECIFY SYSTEM CONFIGURATION

Contractor shall specify and provide County with the recommended configuration Specifications for the System, including System Hardware, System Software, System Network and Third Party Software to be provided by Contractor, which shall be documented in Attachment A.2 (System Configuration). Additionally, Contractor will provide County with recommendations for proposed configuration specifications for Contractor provided System Software that will be loaded and configured on County Hardware which is located at the SIB's site.

DELIVERABLE 3.2 – SYSTEM CONFIGURATION PLAN AND CERTIFICATION

Contractor shall provide a plan with the recommended configuration specifications for the System in accordance with Subtask 3.2 – Specify System Configuration. Contractor shall provide to County, in writing on corporate letterhead, signed by the Contractor's Project Director, certification that such System configuration shall meet all of the Specifications for the System, including all System Requirements, in accordance with Subtask 3.2 – Specify System Configuration.

SUBTASK 3.3 – SETUP SYSTEM HARDWARE

Contractor shall install, configure and test all System Hardware at the Production Server and the Back-Up Web-Server Hosting sites in accordance with the System configuration Specifications provided by Contractor pursuant to Subtask 3.2 – Specify System Configuration.

DELIVERABLE 3.3 – SYSTEM HARDWARE CERTIFICATION

Contractor shall certify to County, in writing on a corporate letterhead, signed by the Contractor's Project Director, that all System Hardware has been installed, configured and tested, at the Production Server and the Back-Up Server, Web-Server Hosting sites and meets all of the Specifications for the System.

TASK 4 – IMPLEMENT SYSTEM SOFTWARE

SUBTASK 4.1 – INSTALL AND CONFIGURE SYSTEM SOFTWARE

Contractor shall install and configure the System Software, including Core Application with all Contractor developed Baseline Interfaces, if any, and Third Party Software, in accordance with the System Requirements and the Specifications specified herein.

The installation and configuration tasks under this Subtask 4.1 – Install and Configure System Software shall include, without limitation:

1. Review of System Software configuration;
2. Installation of the System Software;
3. Initialization of the foundation repositories;
4. Initialization of the directory profile and hierarchy;
5. Installation of applicable client applications;
6. Configuring the installed System Software, initial security policies, initial environments and initial metadata repositories;
7. Performing validation tests using data selected by Contractor to verify proper functionality; and
8. Providing County's system administrator with installation knowledge transfer (in this Exhibit A "Knowledge Transfer"), describing the basic architecture, configuration and interaction of the System Software.

DELIVERABLE 4.1 – SYSTEM SOFTWARE CERTIFICATION

Contractor shall certify to County, in writing on a corporate letterhead, signed by Contractor's Project Director, that the System Software has been successfully installed and configured in accordance with Subtask 4.1 – Install and Configure System Software and is operating properly and meets all of the Specifications. Contractor shall prepare and deliver to County a certification report that shall include, without limitation, (i) the summary of the System Software installation and configuration process, including Knowledge Transfer, and (ii) the documentation on the System Software setup and basic troubleshooting.

SUBTASK 4.2 – DEVELOP DATA QUALITY AND INTEGRATION SOLUTION

Contractor shall work in conjunction with County staff to develop Data Quality and Integration solution (hereinafter "DQ&I") based on the Design Specifications Document, as agreed upon in Subtask 3.1 – Develop Design Specifications Document and as required hereunder to meet the System Requirements.

Development of the DQ&I Solution shall include without limitation the following activities:

1. Connecting/accessing to all types of data sources that will be available in different data formats including unstructured text documents and internet sources;

2. Defining, implementing and automating periodic extracts from the source systems based on latency requirements;

3. Profiling all data sources to analyze and assess the quality of data by identifying discrepancies and inaccuracies through outlier detection, statistical analysis, data validation, pattern analysis, frequency analysis, relationship analysis, business rule validation and metadata analysis;

4. Verification and cleansing of data based on the profiling results to improve the accuracy of data by correcting errors and discrepancies;

5. Standardizing data by transforming inconsistent data into one common representation by applying customized rules, parsing engines and standardization schemes; transforming data fields using data transformation libraries or user-written codes;

6. De-duplication of data to eliminate duplicate records by applying customizable sophisticated fuzzy matching techniques;

7. Developing match criteria between several data sources without unique identifiers using sophisticated customizable fuzzy matching algorithms and incorporating multinational data phonetics;

8. Creating and implementing rules based consolidation of matched client records to provide consistent information across data sources;

9. Enhancing data by verifying addresses and company names and geocoding all addresses to add X-Y coordinates for mapping purposes and calculating distances;

10. Creating seamless data quality and integration jobs through an interactive data quality and integration development environment utilizing a graphical user interface to automate the data integration process and design logical process workflows;

11. Integrating all data sources prepared by the DQ&I Solution into analytic data tables to be used by predictive data mining models of the fraud platform;

12. Completing social network analysis data preparation;

13. Generating a common knowledge base and documentation for data access, profiling, rules generation, data matching, consolidation and data integration through a common metadata environment; and

14. Managing the metadata environment through a common management interface.

DELIVERABLE 4.2 – DATA QUALITY AND INTEGRATION SOLUTION

Contractor shall work in conjunction with County staff to complete development of the DQ&I Solution based on the Design Specifications Document in accordance with Subtask 4.2 – Develop Data Quality and Integration Solution. Contractor shall also provide to County's Project Manager a written report documenting the results of the successfully developed DQ&I Solution, which will be available for User Acceptance Test (also "UAT"), as specified in Subtask 5.2 – Conduct User Acceptance Test.

SUBTASK 4.3 – DEVELOP PREDICTIVE DATA MINING MODELS

Contractor shall work in conjunction with County staff to develop Predictive Data Mining Models (also "Predictive Models" and "Analytics Models") based on the Design Specifications Document, as agreed upon in Subtask 3.1 – Develop Design Specifications Document and as required hereunder to meet the System Requirements.

Analytic Predictive Models shall include, but not be limited to:

- Predicting new child care fraud referrals for clients and providers based on historical fraud patterns using data mining techniques;

- Identifying information anomalies related to child care clients and providers based on internal and external data sources; and

- Identifying new fraud rings by assessing colluding relationships between childcare clients and providers.

This task will involve the development of analytic models solution, which will include the following activities:

1. Creating a development environment where Predictive Models will be developed and built;

2. Developing and building Predictive Models using an easy-to-use graphical user interface that utilizes an interactive process flow environment and supports a complete documentation trail;

3. Accessing the analytic data tables to be used by the Predictive Models;

4. Exploring data sources using descriptive statistics with interactive plots;

5. Managing data tables interactively such as filtering outliers and merging data-sets;

6. Sampling and partitioning data for the development of Predictive Models;

7. Selecting and transforming variables for Predictive Models;

8. Inputting missing values for selected model variables;

9. Employing customized data preparation and transformation tasks;

10. Employing numerous advanced data mining algorithms for structured data to build Predictive Models;

11. Comparing different predictive models using visual model assessment and validation metrics where predictive results are displayed side-by-side for easy comparison;

12. Determining model assessment and validation criteria for selecting optimal models;

13. Selecting Predictive Models based on assessment and validation criteria;

14. Generating scoring code for embedded deployment in the analytic data tables;

15. Managing the analytic environment through a common metadata environment;

16. Transforming data tables from the analytic data tables into a data structure suitable for service network analysis;

17. Applying analytic methods for identifying high risk elements in the service network of participants and providers;

18. Presenting service network structure in an interactive graphical user interface;

19. Developing text mining methods to incorporate unstructured text sources;

20. Developing forecasting and statistical analysis tools to predict fraud patterns and trends;

21. Querying specific high risk participants and providers based on the outcomes of the analytic models; and

22. Scoring analytic models and generates alerts on high risk participants and providers.

DELIVERABLE 4.3 – PREDICTIVE DATA MINING MODELS

Contractor shall work in conjunction with County staff to complete development of Predictive Data Mining Models in accordance with Subtask 4.3 – Develop Predictive Data Mining Models. Contractor shall also provide to County's Project Manager a written report documenting the results of the successfully Predictive Data Mining Models, which will be available for the UAT, as specified in Subtask 5.2 – Conduct User Acceptance Test.

SUBTASK 4.4 – DEVELOP BASELINE INTERFACES

Contractor shall work in conjunction with County staff to develop end-user Baseline Interfaces (also "Portals") based on the Design Specifications Document, as

agreed upon in Subtask 3.1 – Develop Design Specifications Document and as re-quired hereunder to meet the System Requirements.

Development of the Baseline Interfaces will include the following activities:

1. Developing the web-based end user interface to surface the results of the fraud analytics in various ways including:
   a. Information portal,
   b. Dashboards,
   c. Scorecards,
   d. Reporting interfaces,
   e. OLAP cubes,
   f. Data visualization interfaces, and
   g. Network visualization interfaces;
2. Integrating a case management interface to organize and collect information about fraud cases under investigation; and
3. Developing an Interface to keep the investigation history of all cases that can be queried easily by end-users.

DELIVERABLE 4.4 – BASELINE INTERFACES

Contractor shall work in conjunction with County staff to complete development of end-user Baseline Interfaces in accordance with Subtask 4.4 – Develop Base-line Interfaces. Contractor shall also provide to County's Project Manager a writ-ten report documenting the results of the successfully development of the end-user Baseline Interfaces, which will be available for the UAT, as specified in Subtask 5.2 – Conduct User Acceptance Test.

SUBTASK 4.5 – DEPLOY FRAUD SOLUTION PLATFORM

Contractor shall work in conjunction with County staff to deploy the child care fraud solution platform based on the Design Specifications Document, as agreed upon in Subtask 3.1 – Develop Design Specifications Document and as required hereunder to meet System Requirements.

Deployment of fraud solution platform will include the following activities:

1. Deployment of the fraud detection platform composed of all fraud solutions in a Test Environment;
2. Configuration of the management of all Predictive Models using a model management interface;
3. Configuration of System administration and access restrictions to analytic data tables for various user groups;
4. Configuration of the work flow environments for various user groups; and
5. Presentation of alerts, risk scores, service networks and case details to end us-ers in an integrated graphical user interface;
6. System Access shall be provided on a 24 hours per day, 7 days per week, 365/366 days per year basis for the term of this Agreement.

DELIVERABLE 4.5 – DEPLOYED FRAUD SOLUTION PLATFORM

Contractor shall work in conjunction with County staff to successfully complete deployment and configuration of the fraud solution platform in accordance with Subtask 4.5 – Deploy Fraud Solution Platform.

TASK 5 – SYSTEM TESTING

This Task 5 – System Testing describes the System Tests to be conducted by Contractor, including the System Integration Test (also "SIT") and the User Acceptance Test ("UAT"). Each System Test shall be conducted at the conclusion of each major set of testing activities.

Contractor shall perform the following Work relating to System Tests during this Task 5 – System Testing:

A. Creating a Test Environment to execute all stages of System testing, including the SIT and the UAT;

B. Developing test plans for System Tests ("Test Plan(s)") and procedures for all stages of System Testing, including System Integration Test and UAT, that ensures all System Requirements and Specifications are being tested and verified;

C. Conducting the UAT to test all stages of System Implementation, evaluating results, correcting problems and re-testing; and

D. Developing, maintaining and executing the System, as applicable, at all stages of System Testing.

SUBTASK 5.1 – CONDUCT SYSTEM INTEGRATION TEST

System Integration Test ensures that all facets of the DMS work together as a cohesive whole. At the conclusion of this Subtask 5.1 – Conduct System Integration Test, Contractor shall have verified that the complete DMS operates in compliance with the System Requirements and the Specifications.

Contractor shall designate a test group to perform all testing. This test group shall include functional, operational, technical and training representatives, as needed, and may include County staff, as approved by County's Project Director.

Contractor shall develop the Test Plan in accordance with Deliverable 5.1.1 – System Integration Test Plan, which shall contain elements specific to the System Integration Test, including:

1. Thorough testing of all DMS Components;

2. Thorough testing of all DMS Interfaces, both internal and external, including host-to-host communications and end-user Baseline Interfaces; and

3. Verification of the correct generation of all errors messages, warnings or other messages as designed.

Contractor shall ensure that all processing environments utilized for a given test shall be restored to its original condition prior to the start of the given test, including all System files and data that may be affected or changed during execution of

the test. Contractor shall complete the System Integration Test performing the following tasks:

1. Performance and Load Testing – Contractor shall demonstrate that the DMS can successfully meet the System Performance Requirements under full load conditions.

2. Security Testing – Contractor shall demonstrate that the DMS can successfully meet all County security requirements.

3. Business Continuity and Back-Up Server testing – Contractor shall demonstrate that the DMS can successfully continue to operate on the Back-Up Server as required by the Business Continuity and Back-Up Server provision of Exhibit D (System Maintenance).

4. Data Interface Testing – Contractor shall demonstrate that all Interfaces are working properly and adhere to the System Requirements and Specifications.

5. Cycle Testing – Contractor shall conduct cycle tests where each cycle processing is dependent upon previous processing in the DMS flow. Contractor shall conduct cycle tests to simulate the DMS operation in Production Use in accordance with the System Requirements and Specifications.

6. Reports Testing – Contractor shall verify the correct layouts, format and distribution of all DMS generated reports with supporting procedures.

7. End User Interfaces – Contractor shall demonstrate that end-user Baseline Interface meet the System Requirements and the Specifications.

At the end of System Integration Test, Contractor shall prepare Deliverable 5.1.2 – System Integration Test Results, summarizing the activities, types of tests, and test results. Deliverable 5.1.2 – System Integration Test Results shall include all technical materials, documentation and DMS generated output as required by County. Contractor shall present to County evidence that all Subtask 5.1 – Conduct System Integration Test related requirements have been met. Contractor shall prepare supporting documentation, conduct a review at a meeting with County and provide any appropriate demonstration(s) of DMS capabilities, including County participation in or observation of tests.

Contractor shall correct all Deficiencies prior to the start of Subtask 5.2 – Conduct User Acceptance Test, provided that County's Project Director has approved Deliverable 5.1.2 – System Integration Test Results.

DELIVERABLE 5.1.1 – SYSTEM INTEGRATION TEST PLAN

Contractor shall provide a Test Plan for System Integration Test, which shall include:

    a. Test approach, identifying the progression of the System Integration Test;
    b. Scheduling and resources;
    c. Tools, environments and controls to be used during the System Integration Test;
    d. Entrance and exit criteria for System Integration Test;
    e. Metrics to be used to evaluate System Integration Test results;

f.   Name, description, objectives, intended audience and references of each specific test, including automated regression test;

g.   Traceability of System Integration Test procedures to requirement(s) being tested;

h.   Assumptions, issues and constraints; and

i.   Instructions for conducting System Integration Test, including:

   i.   How to set up the test preconditions (e.g., configure/initialize the test environment),

   ii.   How to perform the test steps,

   iii.   How to determine and document the actual test post-conditions,

   iv.   How to compare the actual and expected results from the test, and

   v.   How to report the results of the associated test.

DELIVERABLE 5.1.2 – SYSTEM INTEGRATION TEST RESULTS

Contractor shall provide the System Integration Test Results summary report, which summarizes all activities, types of tests and results of the System Integration Test to allow County to assess the System Integration Test outcome, as further specified in and in accordance with Subtask 5.1 – Conduct System Integration Test.

This report shall include without limitation:

a.   Summary of all tests conducted during System Integration Test;

b.   Summary of results;

c.   Summary of each Deficiency identified by Contractor or County, its corrective action status, date of completion of each correction and date of County's Project Director's approval of each correction; and

d.   Justification for moving to the UAT.

County's Project Director's approval of this Deliverable 5.1.2 – System Integration Test Results is required prior to Contractor proceeding to Subtask 5.2 – Conduct User Acceptance Test.

SUBTASK 5.2 – CONDUCT USER ACCEPTANCE TEST

Contractor and County shall perform the System testing specified in the PWP as a User Acceptance Test and contained in this Subtask 5.2 – Conduct User Acceptance Test, including testing of System validation functionality. County's approval shall be required before a UAT is deemed complete.

County, with assistance from Contractor, will perform the UAT to verify that each System Component functions according to the System Requirements and the Specifications.

Upon completion of the UAT, County shall report any identified Deficiencies to Contractor. Contractor shall correct any Deficiencies revealed during the UAT and install corrections into the System. County shall verify that the corrected System functionality performs in accordance with the System Requirements and the Specifications. The UAT shall end when all Deficiencies have been resolved, and County has documented successful completion of the UAT.

The UAT shall include without limitation the following activities:

1. Development of limited System documentation/completeness;
2. Ensuring user interaction/comprehension level;
3. Ensuring that accurate data is being captured;
4. Ensuring that optimal solutions for fraud detection are developed; and
5. Ensuring that security plan is operational.

The UAT is a major Project milestone during which County, with the assistance of Contractor, comprehensively will test the DMS against the Specifications and the System Requirements to determine if the DMS is ready for System Implementation.

Contractor shall provide a recommended UAT Test Plan to include:

1. A description of proposed tests to be conducted during the UAT;
2. A description of tools, environments and controls to be used during the UAT;
3. A proposed test schedule;
4. A description of Contractor and County roles, responsibilities and resources needed to perform the UAT;
5. A proposed training plan and schedule for the UAT team;
6. A process for UAT problem reporting, tracking and resolution process;
7. A proposed approach for the correction of any Deficiencies identified by Contractor or County during the UAT; and
8. Execution of the Business Continuity and Back-Up Server Plan.

Contractor shall provide the above to County under Deliverable 5.2.1 – User Acceptance Test Plan.

Contractor shall provide tools, environment and controls to be used during the UAT. Contractor shall assist County in developing the UAT Test Plan to be prepared by County.

During the UAT, Contractor shall provide support to County, including configuration of the Test Environment, training on testing tools or processes for County UAT team, management of test results and performance of any corrective actions in the case of identified Deficiencies by Contractor or County. Contractor shall be responsible for installing any special software and/or making any other needed changes to ensure the DMS is ready for the UAT. Contractor shall provide any necessary tools to simulate DMS performance under operational conditions. County will record all UAT results, and Contractor shall prepare the reports that include a record of all successes, failures, and corrective actions taken by Contractor.

Contractor shall provide Deliverable 5.2.2 – User Acceptance Test Status Reports, which summarizes all aspects of the UAT performed during that week, including any Deficiencies identified by Contractor or County, those corrected and still outstanding. Reports shall be due every Tuesday for the entire period of the UAT.

Contractor shall document the review and acceptance of test materials, activities and results at weekly meetings with County.

County will notify Contractor of any Deficiencies identified by County during the UAT. For each Deficiency identified by Contractor or County, Contractor shall provide a corrective action plan, which shall include:

1. Description of each Deficiency and its root cause;
2. Business processes, DMS functions and/or Interfaces impacted;
3. Description of all potential risks to the DMS, including System Implementation and mitigation strategy for the DMS;
4. Corrective action plan, test scenarios and implementation approach;
5. Schedule for completion of each corrective action and resources required or assigned;
6. Status of each corrective action; and
7. Approval procedures that require County's Project Director's approval of each correction.

Contractor shall schedule and participate in a meeting with County to review the results of the UAT and determine whether Contractor has met all County requirements for DMS design and development, including the System Requirements and the Specifications. UAT shall include execution of the Business Continuity and Back-Up Server Plan.

Contractor shall provide Deliverable 5.2.3 – User Acceptance Test Certification to County certifying that all known Deficiencies identified by Contractor or County have been corrected by Contractor, and that all corrections have been approved by County's Project Director. County's Project Director's approval of Deliverable 5.2.3 – User Acceptance Test Certification will indicate the completion of Subtask 5.2 – Conduct User Acceptance Test.

DELIVERABLE 5.2.1 – USER ACCEPTANCE TEST PLAN

Contractor shall provide a recommended UAT Test Plan in accordance with Subtask 5.2 – Conduct User Acceptance Test, which shall include:

a. Description of proposed tests to be conducted during the UAT;
b. Tools, environments and controls to be used during the UAT;
c. Proposed test schedule;
d. Contractor roles, responsibilities and resources in performing the UAT;
e. Training plan and schedule for the UAT team;
f. Deficiency reporting, tracking and correction process; and
g. Approach to correcting Deficiencies identified during the UAT.

DELIVERABLE 5.2.2 – USER ACCEPTANCE TEST STATUS REPORTS

Contractor shall provide User Acceptance Test weekly Status Reports throughout the UAT period in accordance with Subtask 5.2 – Conduct User Acceptance Test. Each such Status Report shall include:

a. Summary of all tests conducted during the UAT;
b. Summary of test results;
c. Summary of each Deficiency identified by Contractor or County, including for each such Deficiency:
   i. Description of each Deficiency and its root cause,
   ii. Business processes, DMS functions and/or Interfaces impacted,
   iii. Description of all potential risks to the DMS or System Implementation and mitigation strategy for the DMS,
   iv. Corrective action plan, test scenarios and implementation approach,
   v. Schedule for completion of each corrective action and resources required/assigned,
   vi. Status of each corrective action,
   vii. Date of completion of each correction, and
   viii. Date of County's Project Director's approval of each correction; and
d. Documentation of the review of the previous week's report with County, including agenda, attendees, action items and supporting documentation.

DELIVERABLE 5.2.3 – USER ACCEPTANCE TEST CERTIFICATION

Contractor shall provide in accordance with Subtask 5.2 – Conduct User Acceptance Test a User Acceptance Test Certification of successful completion to County within ten (10) days after successful completion of the UAT, certifying that (i) all requirements traceability to all tests and test results have been verified, (ii) all Deficiencies identified by Contractor or County have been corrected by Contractor (iii) all corrections have been approved by County's Project Director, (iv) test results of the Business Continuity and Back-Up Server Plan, and (v) all other UAT–related activities have been completed.

Contractor shall also summarize all actions taken during UAT to correct each Deficiency identified by Contractor or County. The summary shall include for each Deficiency:

a. Description of each Deficiency and its root cause;
b. Business processes, DMS functions and/or Interfaces impacted;
c. Description of all potential risks to the DMS, System Implementation, and mitigation strategy for the DMS;
d. Corrective action plan, test scenarios and implementation approach;
e. Schedule for completion of each corrective action and resources required/assigned;
f. Status of each corrective action;
g. Date of completion of each correction; and
h. Date of County's Project Director's approval of each correction.

County Project Director's approval of this Deliverable 5.2.3 – User Acceptance Test Certification shall indicate the completion of Subtask 5.2 – Conduct User Acceptance Test.

TASK 6 – FINAL ACCEPTANCE

SUBTASK 6.1 – TRANSITION TO PRODUCTION ENVIRONMENT

Following the completion of the UAT and County's approval that the System meets the System Requirements and the Specifications, Contractor shall transition the System to the Production Environment by performing any tasks under Task 3 – System Setup, Task 4 – Implement System Software and Task 5 – System Testing, as applicable, in the Production Environment.

DELIVERABLE 6.1 – SYSTEM PRODUCTION USE

The System shall achieve Go-Live and be ready for Production Use when Contractor provides to County, and County approves, documented results certifying that the System was successfully transition to the Production Environment pursuant to Subtask 6.1 – Transition to Production Environment.

SUBTASK 6.2 – CONDUCT PERFORMANCE VERIFICATION

Following successful transitioning of the System to the Production Environment, County will monitor for Deficiencies and Contractor shall maintain the System in Production Use for a minimum of ninety (90) days. Upon occurrence of a Deficiency, Contractor shall correct such Deficiencies by re-performance pursuant to, and subject to the provisions of the body of the Agreement. The System shall achieve Final Acceptance if and when all Deficiencies identified during the ninety (90) day period have been corrected, even if the last correction occurs after such ninety (90) day period.

Commencing with Final Acceptance and continuing through the Warranty Period, any problems encountered by County in the use of the System shall be subject to the applicable System Maintenance terms under the Agreement.

DELIVERABLE 6.2.1 – PERFORMANCE VERIFICATION REPORT

Contractor shall provide to County the Performance Verification report, including supporting Documentation that the DMS complies with the System Requirements and the Specifications, including all System Performance Requirements, under full production load. Contractor shall conduct a review of Deliverable 6.2.1 – Performance Verification Report with County at a meeting scheduled by County and provide any County-requested demonstrations of the DMS including:

a. Summary of activities, results and outcomes;
b. Summary of each Deficiency identified by Contractor or County. The summary shall include for each Deficiency:
    i. Description of each Deficiency and its root cause,
    ii. Business processes, DMS functions and/or Interfaces impacted,
    iii. Description of all potential risks to the DMS and mitigation strategy for the DMS,
    iv. Corrective action plan, test scenarios and implementation approach,

     v.   Schedule for completion of each corrective action and resources required or assigned,

     vi.   Status of each corrective action,

     vii.   Date of completion of each correction, and

     viii. Date of County's Project Director's approval of each correction;

c. Summary of lessons learned; and

d. Recommendations for any improvements to the DMS.

DELIVERABLE 6.2.2 – FINAL ACCEPTANCE

The System shall achieve Final Acceptance and shall be ready for Production Use by County in the Production Environment upon County's acceptance that all Deficiencies discovered during the ninety (90) day period have been corrected, even if such correction occurred beyond ninety (90) day period. Contractor shall provide the Certification of Performance Verification and Final Acceptance, certifying that the DMS complies with the System Requirements and the Specifications and documenting the review with County under Deliverable 6.2.1 – Performance Verification Report, including agenda, attendees, action items and supporting documentation.

TASK 7 – TRAINING

SUBTASK 7.1 – PROVIDE TRAINING

Contractor shall prepare and implement a comprehensive System Training program, including any necessary training materials. The training program shall include training courses addressing project team training, end-user training and train-the-trainers for County's project team, end-users and trainers.

As part of System Training, Contractor shall provide the designated County groups with extensive working knowledge of the System Software capabilities, as well as training in the administration of the System Software. Training materials will only be provided to those County personnel attending the Training sessions.

County staff shall be responsible for system administration and on-going training to support the System. At the end of training, County's technical staff shall be able to do the following:

1. Understand the System and services methodology;
2. Configure the System;
3. Operate the System;
4. Manage the metadata environment;
5. Develop and run data quality solutions – profiling / transforming / matching / standardizing / unduplicating / geocoding data sources;
6. Perform data integration tasks — ETL;
7. Run and evaluate Predictive Data Mining Models;
8. Run and evaluate service network analysis;
9. Manage data mining models;

10. Create and modify reports;

11. Modify end-user and other Baseline Interfaces; and

12. Administer the System, including setting up user security access profiles.

DELIVERABLE 7.1 – TRAINED COUNTY STAFF

For the purpose of conducting System Training, Contractor shall develop a detailed plan for training of County staff on the use of the System. Contractor shall deliver training classes and training materials consistent with the classes described in County-approved plan and certify in writing that all System Training as described in Subtask 7.1 – Provide Training has been successfully completed.

TASK 8 – SYSTEM DOCUMENTATION

SUBTASK 8.1 – PROVIDE SYSTEM DOCUMENTATION

Contractor shall prepare and provide County with System and user reference Documentation for the fraud solution platform and solutions utilizing the data mining procedures provided by Contractor under this Agreement. This Documentation shall provide County staff with a comprehensive reference source of System functionality, fraud solution components and all System Maintenance activities listed in Task 9 – System Maintenance.

DELIVERABLE 8.1 – SYSTEM DOCUMENTATION

Contractor shall provide County with Knowledge Transfer Documentation in accordance with Subtask 8.1 – Provide System Documentation. Contractor shall deliver this Documentation in an electronic format as required by County.

TASK 9 – SYSTEM MAINTENANCE

SUBTASK 9.1 – PROVIDE SYSTEM MAINTENANCE PLAN

Contractor shall work in conjunction with County staff to develop a plan for System Maintenance, including Maintenance Services and Support Services (in this Exhibit A "System Maintenance Plan"), covering ongoing operations, maintenance, support and administration of the System in accordance with Exhibit D (System Maintenance) to the Agreement. The System Maintenance Plan shall address, at a minimum, the following:

1. Backup - The analytic data and metadata environments should be backed up according to the post-deployment plan document;

2. Monitoring the fraud prevention platform environment; including job schedules, growth, back-up, restore, and user registration and utilization; acting as appropriate to maintain a stable, functioning environment for the fraud solution platform;

3. Measuring, managing and improving data quality;

4. Maintaining the analytic data tables;

5. Managing Predictive Model effectiveness by monitoring and assessing the performance of developed models in order to make adjustments continuously in response to changing behavior of parties committing fraud, or as a result of the availability of new information;

6. Providing a Back-Up Server Plan, Business Continuity Plan and a back-up site at a mutually agreed upon location that is in a different location than the deployed fraud platform pursuant to the Business Continuity and Back-Up Server provisions of Exhibit D (System Maintenance);

7. Providing Change Management Plan;

8. Providing Performance Management Plan; and

9. Providing Project reporting plan, including schedule and structure of monthly status meetings and reports.

DELIVERABLE 9.1 – SYSTEM MAINTENANCE PLAN

Contractor shall prepare and provide a System Maintenance plan that will address the specific Maintenance Services and Support Services requirements of the DMS in accordance with and relating to all items listed in Subtask 9.1 – Provide System Maintenance Plan, including but not limited to monitoring, maintaining and managing and backing-up the fraud platform environment.

SUBTASK 9.2 – PROVIDE SYSTEM MAINTENANCE

Contractor shall provide System Maintenance, which shall include all goods and services necessary to manage, operate and support the DMS to comply with the System Requirements and Specifications and shall be provided during Support Hours for the term of the Agreement, as further specified in Exhibit D (System Maintenance). System Maintenance shall include Maintenance Services, consisting of Updates, as well as Support Services, which include, but are not limited to, help-desk support during Support Hours ("Help Desk"), as requested or required by County.

The System Maintenance services shall include, without limitation:

1. Support for all System Hardware necessary for the DMS;
2. Support of security and network activity and maintenance of Web Services;
3. Support for all System Software issues/problems;
4. Support for all System Software upgrades, updates, new releases, etc;
5. Support for all System Software fixes, patches, etc.; and
6. Access to knowledgeable Contractor personnel (i.e., Help Desk) who can answer questions on the use of the System or provide analysis on solutions to operational problems, which County may encounter during Support Hours.

DELIVERABLE 9.2 – SYSTEM MAINTENANCE

Contractor shall provide System Maintenance in accordance with the terms of Subtask 9.2 – Provide System Maintenance, Exhibit D (System Maintenance) and the Base Agreement, which shall include, but not be limited to:

1. Providing and maintaining System Hardware, as appropriate;
2. Monitoring of security and network activity, and maintenance of Web Services;
3. Providing and maintaining System Software, as appropriate;
4. Providing Updates to System Software, as appropriate; and
5. Responding to Support Services requests made by County.

SUBTASK 9.3 – PROVIDE DMS TRANSITION

SUBTASK 9.3.1 – PROVIDE DMS TRANSITION PLAN

Contractor shall provide to County a plan for a smooth transition or transfer of the DMS, System Data and the DMS repository from Contractor's environment to the new environment of County or County-selected vendor ("Transition Plan") within thirty (30) days of completing Deliverable 6.2.2 – Final Acceptance. Contractor shall maintain and update the Transition Plan annually for County's Project Director's approval and be able to provide an updated copy within thirty (30) days of County's request. Contractor shall keep the most current version of the Transition Plan in the DMS repository throughout the term of the Agreement. All work for the DMS transition shall be provided by Contractor in accordance with Exhibit B (Schedule of Payments). The Transition Plan shall, at a minimum, include:

1. Identification of resource requirements needed to transition, host and operate the DMS at County or County-selected vendor data center(s);
2. Identification of transition team roles and responsibilities;
3. Proposed timeline for completion of transition activities;
4. Training plan and training of County-specified persons for the transition of the DMS and System Data; and
5. Information and supporting documentation, as required by County, related to volumes, file sizes and growth trends.

DELIVERABLE 9.3.1 – DMS TRANSITION PLAN

Contractor shall provide to County and update the DMS Transition Plan in accordance with Subtask 9.3 – Provide DMS Transition.

SUBTASK 9.3.2 – PROVIDE DMS TRANSITION SUPPORT

Upon County's election to transition or transfer the DMS from Contractor's environment to the new environment of County or County-selected vendor, Contractor shall provide to County support to ensure success of such transition or transfer (hereinafter "Transition Support" or "DMS Transition Support") in accordance with the Transition Plan, as it may need to be updated. The DMS Transition Support shall be provided to County as Optional Work in the form of Professional Services (as described in Task 10 – Optional Work) in accordance with a mutually agreed upon Change Order and shall not exceed the Maximum Fixed Price allocated for the DMS Transition Support in Schedule B.1 (Optional Work).

As part of the DMS Transition Support, Contractor shall:

1. Update the DMS Transition Plan in accordance with the latest System Environment and the agreed upon Change Order;
2. Training County-specified personnel as specified in the Transition Plan;
3. Provide to County information and supporting documentation, as required by County, related to volumes, file sizes and growth trends;
4. Assist County the period of the DMS transition; and
5. Provide such other services as are necessary for the successful transition or transfer of the DMS from Contractor's environment to the new environment of County or County-selected vendor.

Contractor shall commence Transition Support at least ninety (90) days prior to expiration or termination of the Agreement or as otherwise specified in the applicable Change Order.

DELIVERABLE 9.3.2 – DMS TRANSITION SUPPORT

Upon County's election and mutual agreement to a Change Order, Contractor shall provide Transition Support in accordance with Subtask 9.3.2 – Provide DMS Transition Support.

TASK 10 – OPTIONAL WORK

SUBTASK 10.1 – PROVIDE SOFTWARE ENHANCEMENTS

Following Performance Verification and Final Acceptance, County may from time to time, during the term of this Agreement, submit to Contractor for Contractor's review written requests for Software Enhancements using Pool Dollars, including Customizations and/or Additional Software, for System enhancements not reflected in the System Requirements, including, but not limited to, addition, deletion or modification of the Application Software functions, Customizations, changes to current System outputs, new and modified reports, new screens and Additional Interfaces. In response to County's request, Contractor shall submit to County for approval a System Design Report (in this Exhibit A "SDR") describing the particular Software Enhancements and a not-to-exceed Maximum Fixed Price to provide such Software Enhancements, calculated based on the Fixed Hourly Rate and other pricing terms set forth in the Schedule of Payments and elsewhere in the Agreement. County and Contractor shall agree on the Change Order developed using the SDR, which shall at a minimum include the tasks and deliverables to be performed, System Tests and warranty provisions, as applicable, and the Maximum Fixed Price for such Software Enhancements.

Any enhancements and/or modifications to System Requirements resulting from Software Enhancements shall be incorporated into, and become part of, the System Requirements. All Software Enhancements, once completed, shall become part of the System and shall not increase the Maintenance Fees allocated for the term of the Agreement.

DELIVERABLE 10.1 – SOFTWARE ENHANCEMENTS

Upon County's request for, and Contractor's agreement to provide, Software Enhancements, Contractor shall complete, test and install all Software Enhancements in accordance with Subtask 10.1 – Provide Software Enhancements and certify in writing that Software Enhancements meet the requirements of the applicable Change Order, including any required System Tests and System Requirements.

SUBTASK 10.2 – PROVIDE PROFESSIONAL SERVICES

County may from time to time, during the term of this Agreement, submit to Contractor for Contractor's review written requests for Professional Services using Pool Dollars, including Consulting Services and/or Additional Training, for services not included in System Implementation. In response to County's request, Contractor shall submit to County for approval a System Design Report (SDR) describing the particular Professional Services and a not-to-exceed Maximum Fixed Price to provide such Professional Services, calculated based on the Fixed Hourly Rate and other pricing terms set forth in the Schedule of Payments and elsewhere in the Agreement. County and Contractor shall agree on the Change Order developed using the SDR, which shall at a minimum include the tasks and deliverables to be performed, System Tests, standard of services and warranty provisions, as applicable, and the Maximum Fixed Price for such Professional Services.

Any enhancements and/or modifications to System Requirements resulting from Professional Services shall be incorporated into, and become part of, the System Requirements. Any products of Professional Services, once completed, shall become part of the System and shall not increase the Maintenance Fees allocated for the term of the Agreement.

DELIVERABLE 10.2 – PROFESSIONAL SERVICES

Upon County's request for, and Contractor's agreement to provide, Professional Services, Contractor shall complete provide Professional Services in accordance with Subtask 10.2 – Provide Professional Services and certify in writing that the Professional Services meet the requirements of the applicable Change Order.

DATA MINING SOLUTION (DMS)

FOR

CHILD CARE FRAUD DETECTION

ATTACHMENT A.1 – SYSTEM REQUIREMENTS

TABLE OF CONTENTS

1.   **OVERVIEW OF SYSTEM REQUIREMENTS**

This statement of System Requirements outlines the DMS overall business and technical requirements. Each of the functional and technical requirements listed shall support all of the DMS business processes.

The requirements below include the System's overall functional capabilities that the DMS shall support. At a minimum, these requirements will be used to track, test and monitor the overall System capabilities that shall consistently be met throughout the term of this Agreement.

Other systems and functional capabilities that are considered by County as enhancements or improvements to the System shall be addressed by Contractor at County's discretion during the maintenance and enhancement phases of this Agreement.

1.1   **CONSTRUCTION OF TERMS**

In construing the terms of this Attachment A.1, the following rules shall apply:

A. Singular nouns, and phrases incorporating them (e.g., referring to objects, persons, events, or otherwise), shall be construed to also include the plural except where reference to a single item is implied or necessary pursuant to the context of the word or phrase in question and except as otherwise expressly stated for particular defined terms set forth in Paragraph 1.3 (Definitions) of the Base Agreement. Plural nouns, and phrases incorporating them, shall be construed to also include the singular except where reference to multiple items is implied or necessary pursuant to the context of the word or phrase in question and except as otherwise expressly stated for particular defined terms set forth in Paragraph 1.3 (Definitions) of the Base Agreement.

B. Any use of the masculine gender shall be construed to include the feminine, and vice versa.

C. Examples provided by using words and phrases, such as "including", "include", "includes", or "e.g.", shall not be construed as limiting the term

clarified thereby. For example, "including" shall be construed as "including, but not limited to."

D. References in this Attachment A.1 to federal, State, County and/or other governmental laws, rules, regulations, ordinances, guidelines, directives, policies and/or procedures shall mean such laws, rules, regulations, ordinances, guidelines, directives, policies and/or procedures as amended from time-to-time.

E. Unless expressly stated otherwise, all approvals, consents, or determinations by or on behalf of County under the Agreement, will be in writing, and may be given or withheld in the sole discretion or judgment of the person or entity authorized to provide or make such approval, consent, or determination.

F. The terms "Web page(s)", "page(s)", "screen(s)", and "window(s)" are used interchangeably and have the same meaning.

2. SYSTEM REQUIREMENTS

This Section 2 specifies System Requirements that Contractor shall meet in providing its Data Mining Solution (also "solution") and other Work during the term of the Agreement.

2.1 DATA ACCESS

1. The solution shall provide access to County files stored in industry standard platforms, including Windows, Linux, UNIX and mainframe systems.

2. The solution shall provide read/write/update access to relational database and all PC File formats, including text, Excel, Access and dbase files.

3. The solution shall have the capability to extend its read/write/update access to other third-party relational databases such as ORACLE, DB2 and Microsoft SQL Server.

4. The solution shall provide access to numerous forms of unstructured textual data, including PDF, ASCII text, HTML, XML and Microsoft Word.

5. The solution shall have the capability to access geo-spatial data such as ESRI and MapInfo that may be processed using GIS technologies.

6. The solution shall have Web crawling capabilities. Web crawling will provide the ability to extract useful information from unstructured web pages which can then be used to enhance fraud detection models.

7. The solution shall provide secure access with native interfaces by honoring and augmenting the native security of the target data sources.

8. The solution shall optimize performance and minimize network traffic by intelligently executing data access commands either locally or on the source database system.

9. The solution shall support the integration through industry standards, including ODBC, JDBC and OLE-DB.

10. The solution shall allow understanding, extracting and organizing metadata from any available data resource so that data can be organized logically across all data sources.

11. The solution shall maintain the metadata within a central Metadata Repository.

12. The solution shall be able to define, implement and automate periodic extracts from the source systems based on latency requirements.

2.2 DATA QUALITY

1. The solution shall provide data profiling that allows a complete assessment of all data sources by examining their structure, completeness, suitability and relationships using a user-friendly, easy-to-use interface.

2. The solution shall enable users to profile the source data and easily define processes that are repeatable and reusable to improve data quality through the user interface.

3. The solution shall profile all data sources to analyze and assess the quality of data by identifying discrepancies and inaccuracies and show trends and commonalities through statistical analysis, including outlier detection and frequency analysis.

4. The solution shall perform data validation by matching the data in source tables to their description by validating data patterns and formats.

5. The solution shall validate data and ensure that the data follows standardized patterns by identifying data redundancies, misspellings and duplications.

6. The solution shall uncover relationships across different data sources by discovering primary/foreign key, cross-table and cross-database relationships.

7. The solution shall be able to set up business rules for validating data and then as new data is processed and these rules are violated the system shall be capable of logging information about these business rules violations.

8. The solution shall provide a metadata analysis that can simplify projects by accurately grouping related data and excluding irrelevant data.

9. The solution shall provide a metadata analysis that can identify relationships and redundancies using fuzzy matching algorithms that compare filed names, types and formats.

10. The solution shall manage redundancies by cataloging them within a metadata repository and reporting them to the system administrator or user.

11. The solution shall analyze and prototype data quality cleansing processes and shall apply corrections to form an automatic data rationalization framework utilizing an easy-to-use graphical user interface.

12. The solution shall be able to consolidate data objects (e.g., households or clients) into identifiable groups using fuzzy matching techniques.

13. The solution shall automate data standardization processes, customizable standardization rules and schemes that will standardize client and company names and addresses.

14. The solution shall be able to parse data values such as name and address parts or any free-form text into component parts to identify individual data elements.

15. The solution shall be able transform data fields using data transformation libraries or user-written codes.

16. The solution shall be able to match and link dissimilar records from multiple sources by names, addresses, phone and social security numbers or any other field using algorithms that include fuzzy logic and multinational data phonetics.

17. The solution shall be able to eliminate duplicate records by applying customizable sophisticated fuzzy matching techniques.

18. The solution shall be able to personalize or customize the parsing, matching, standardization and identification algorithms and rules based on business requirements.

19. The solution shall be able to store the customized rules in a common and accessible knowledge base that can be shared by multiple developers.

20. The solution shall be able to assign greater weights to parts of a data string (like an address or business name) based on their relative importance in a match.

21. The solution shall provide an address verification system, certified by the US Postal Service, utilizing a fuzzy matching and data standardization technology that can automatically inspect every element of an address to ensure its validity, and then update invalid information to meet postal requirements.

22. The solution shall provide geocoding of all addresses to add X-Y coordinates for mapping purposes and calculation of distances.

2.3 DATA INTEGRATION

1. The solution shall provide an easy-to-use point-and-click visual design tool with configurable windows for building, implementing and managing data integration processes regardless of data sources, applications or platforms.

2. The solution shall provide an easy-to-manage, multiple-user metadata environment that enables collaboration on projects with repeatable processes and metadata that can be shared.

3. The solution shall provide a multiple-user, multiple-level design environment supporting collaboration so that multiple users can check-in and check-out of data integration jobs or tables without overwriting each other's changes.

4. The solution shall provide tools to visualize and understand metadata.

5. The solution shall enable metadata to be captured and documented throughout transformations and data integration processes, and to become available for immediate reuse.

6. The solution shall provide an extensive impact analysis of potential changes made across all data integration processes including tables or columns, jobs, and transformations that would be affected by a change in a selected table or column.

7. The solution shall provide the data lineage metadata management capability to validate processes by determining where data comes from, how it is transformed, and where it is going.

8. The solution shall provide a process designer to develop, build and edit data integration processes with drag-and-drop functionality eliminating programming.

9. The solution shall provide interactive debugging and testing of jobs during development and give full access to logs.

10. The solution shall provide the capability to connect to all types of data sources and data types, as well as operating systems and hardware environments, using both native access and industry standards access.

11. The solution shall provide a wizard-driven tool to access to source systems and register the physical layout of existing tables or metadata information.

12. The solution shall provide a wizard-driven interface to create new target tables by entering new metadata or accessing metadata about other tables/columns registered in a metadata repository.

13. The solution shall provide a wizard-driven interface to import or export metadata.

14. The solution shall provide a wizard-driven interface to design and execute Extract, Transform and Load (ETL) process flows which can be visualized as a process flow diagram.

15. The solution shall provide the capability to edit ETL process flows interactively.

16. The solution shall provide the capability of adding and editing user defined codes to the ETL process flow.

17. The solution shall provide a powerful and easy-to-use transformation wizard to generate transformations.

18. The solution shall have a rich array of predefined table and column-level transformations.

19. The solution shall include ready-to-use analytical transformations such as correlations and frequencies, distribution analysis and summary statistics.

20. The solution shall be able to create reusable and repeatable transformations that are tracked and registered in a common metadata repository.

21. The solution shall enable transformations to be executed interactively or scheduled to run in batch at set times or based on events that trigger execution.

22. The solution shall provide full SQL commands functionality to load data.

23. The solution shall be able to load data by appending, updating or refreshing.

24. The solution shall be able to optimize loading techniques with user-selectable options.

25. The solution shall have the ability to design, create and load OLAP cubes.

26. The solution shall provide the ability to run data integration jobs interactively or to schedule them through system administrator to run automatically.

27. The solution shall provide the capability to migrate, synchronize and replicate data among different operational systems and data sources.

2.4   ANALYTICS

2.4.1   Fraud Solutions

2.4.2   Data Mining Workbench

1. The solution shall provide an interactive model development environment utilizing an easy-to-use graphical user interface with process flow diagrams to construct predictive models.

2. The solution shall be scalable utilizing parallel processing with server based storage.

3. The solution shall be integrated with the data quality and integration solution through a common metadata environment.

4. The solution shall be able to register selected predictive models to a common metadata server.

5. The solution shall be accessed via a Web browser from a central server. No solution-specific software shall be installed on the end-user's computer.

6. The solution's process flow diagrams shall support XML diagram exchange that can be reused as templates.

7. The solution's interactive model development environment shall provide basic exploratory data analysis capabilities including histograms, sample statistics, scatter plots and outlier detection tools.

8. The solution's interactive model development environment shall support data partitioning for model assessment to create training, validation and test datasets.

9. The solution's interactive model development environment shall allow for assessment comparison of multiple modeling methods.

10. The solution's interactive model development environment shall provide missing value imputation methods.

11. The solution's interactive model development environment shall provide for input transformations including (but not limited to) binning transformation.

12. The solution's interactive model development environment shall provide an interactive transformation editor for customized transformations including interactions.

13. The solution's interactive model development environment shall allow for the development of multiple modeling methods including (but not limited to):

   ➢ Linear, polynomial and logistic regressions;

   ➢ Decision trees;

   ➢ Neural networks;

   ➢ Nearest neighbor methods; and

   ➢ Gradient boosting methods.

14. The solution's predictive modeling tool shall allow the user to balance model fit versus model complexity.

15. The solution's predictive modeling tool shall support forward, backward and stepwise variable selection techniques.

16. The solution's interactive model development environment shall provide dimension reduction capability including (but not limited to) variable selection and principal components techniques.

17. The solution's predictive modeling tool shall allow for multiple model assessments including accuracy, profit, loss, Kolmogorov-Smirnov, Gini, c-statistic, mean squared error, and likelihood.

18. The solution's interactive model development environment shall provide an assessment interface to compare and assess models in terms of various charts such as lift curves and ROC charts.

19. The solution's predictive modeling tool shall support re-sampling techniques, including (but not limited to) bagging and boosting.

20. The solution's interactive model development shall allow for the performance of unsupervised segmentation methods such as statistical cluster analysis or self-organizing map methods.

21. The solution's interactive model development shall include tools for sequence and association analysis.

22. The solution's interactive model development shall provide rules building capability.

23. The solution's predictive modeling development environment shall allow models to be periodically refreshed with new data.

24. The solution's interactive model development environment shall allow for the combination of multiple predictive models into a hybrid ensemble model.

25. The solution shall be able to implement predictive models by scoring datasets to assign fraud risk scores to each client and provider.

26. The solution shall provide interactive, batch or real-time scoring capability.

27. The solution shall be able to support PMML (Predictive Model Markup Language) Version 3.2.

28. The solution shall be customizable with the ability of adding tools and personalized code to augment predictive model building.

29. The solution's predictive modeling results shall be explainable to non-technical individuals.

30. The solution's predictive models shall show the primary factors yielding high risk scores for any client or provider. These factors will be required for investigators to conduct their investigations.

31. The solution's predictive models shall be easily integrated with other analytic tools such as social network analysis and text mining.

32. The solution's predictive modeling tools shall be supported by documentation and training sufficient to allow qualified individuals to produce usable models from prepared data within one week of first exposure to the model development environment.

33. The solution's predictive modeling development environment shall allow for the analysis summary via HTML or PDF reports.

2.4.3 Social Network Analysis

1. The solution shall provide an intuitive network visualization interface that will show a complete picture of clients, service providers, companies, addresses, and networks.

2. The social network solution shall allow for querying, based on data keys to be defined by County (e.g., case number, social security number, client

index number, provider number, etc.) the source data to display individuals (clients) or entities (providers or employers) of interest and the linkages immediately surrounding them.

3. The social network solution shall allow for querying the displayed network diagram to locate an individual or entity of interest.

4. The social network solution shall indicate active cases (cases under investigation) with a special color or flashing mode that can be visualized on the networks.

5. The social networks solution shall be able to build new networks from a single client, provider or employer queried.

6. The social networks solution shall drill down further into underlying data for full client, provider, and company or address details, including other linked clients, providers and networks.

7. The social networks solution shall provide nodes (such as clients or providers) that are interactively linked to geo-spatial information and interactive maps to explore the location characteristics of these nodes instantaneously.

8. The social networks solution shall be easily modified to change the type or format of the information illustrated on the interface.

9. The social networks solution shall zoom in and out and pan right and left to visualize the full extent of networks interactively.

10. The social networks solution shall interactively show the evolution of networks over time to study how a specific network has been built and expanded over many months.

11. The social networks solution shall show provider and client charts to visualize their risk scores over time. These charts shall be overlaid for multiple providers/clients that are connected through a network.

12. The social networks solution shall produce independent and combined scores to assess overall risk scores for clients and service providers that can be observed easily on the interface with the help of differential color grading.

13. The social networks solution shall produce combined scores for the full histories of clients and providers so that the evolution of their risk scores can be observed over time.

14. The social networks solution shall generate alerts based on the risk thresholds that are automatically routed to the appropriate personnel such as fraud investigators.

15. The social networks solution shall score associated networks using behavioral data (patterns, network growth rates, activity levels) and other data provided (current/previous addresses, contact numbers, employers).

16. The social networks solution shall provide an aggregated score at the network level to identify subtle or hidden relationships.

17. The social networks solution shall provide fraud investigators with information showing the interconnections between and detail case history on suspicious program participants and service providers, allowing for the reduction of false positives and identification of potential fraud.

18. The social networks solution shall apply complex analytic and statistical methods to identify high risk elements in the service network of participants and providers.

19. The social network solution shall subset large networks into smaller sub-networks based on community detection algorithms, anomaly detection rules and statistical measures of fraud risk.

20. The social networks solution shall employ advanced analytic and statistical methods such as associative cluster analysis and link analysis to generate social networks.

21. The social network solution shall allow for the expansion of the displayed network to include additional individuals and entities linked to those displayed.

22. The social network solution shall allow the investigator to group and label individuals and entities within the displayed network diagram and represent this grouping by a single object on the network diagram.

23. The social network solution shall allow for saving and loading a modified network diagram for later review and modification.

24. The social network solution shall be able to undo changes made to the diagram, including expansion, hiding and grouping entities displayed in the network diagram.

25. The social network solution shall be managed through a common metadata environment.

2.4.4 Text Mining

1. The solution shall provide a text mining platform with a self-documenting integrated interface for analyzing text (unstructured data) in conjunction with multiple related database (structured) fields.

2. The solution's text mining tool shall discover and extract knowledge from a wide variety of text document formats such as PDF, ASCII, HTML, and Microsoft Word.

3. The solution's text mining tool shall have Web crawling capability.

4. The solution's text mining tool shall have comprehensive text preprocessing capabilities, including strong parsing and automatic spelling detection features.

5. The solution's text analysis tool shall be able to eliminate uninformative (or common) words from unstructured text.

6. The solution's text analysis tool shall be able to create stem multiple forms of a word to a root form.

7. The solution's text analysis tool shall transform textual data into a usable, intelligible format by classifying text documents (e.g., Web pages, PDF, investigative notes) to predefined categories, finding explicit or hidden relationships or associations between documents, and clustering documents into categories using the following:

   ➢ Text clustering algorithms;

   ➢ Neural networks;

   ➢ Memory-based reasoning;

   ➢ Regression methods; and

   ➢ Decision trees.

8. The solution's text mining tool shall integrate unstructured text data into the predictive modeling component with structured data.

9. The solution's text analysis tool shall include an interactive interface to explore concepts and relationships between documents, and to visualize complex hidden relationships between terms, phrases and entities (such as clients and provider names) and dynamically make modifications to enhance the analyses.

10. The solution's text mining tool shall automatically generate score code as models are built.

11. The solution's text mining tool shall be integrated to the data mining workbench.

12. The solution's text mining tool shall be managed through a common metadata environment.

2.4.5 Forecasting, Statistical Analysis and Data Visualization

1. The solution shall include tools for automatically creating forecast models of time-series data, including (but not limited to) ARIMA and seasonally adjusted exponential smoothing methods.

2. The solution's forecasting tools shall be able to generate and incorporate predictions of fraud rates into the predictive modeling, anomaly detection, and end-user interface components.

3. The solution's forecasting tools shall utilize an easy-to-use GUI and be easily managed through a common metadata environment.

4. The solution shall provide comprehensive set of tools to perform complex statistical analysis for all analytical needs.

5. The solution's statistical analysis tools shall include (but not limited to) analysis of variance, regression methods, categorical data analysis, multivariate analysis, survival analysis, cluster analysis, and power and sample size applications.

6. The solution shall provide powerful interactive statistical graphics for visual querying and data filtering and interactive data visualization.

2.5   END-USER INTERFACE

1. The solution shall provide the ability to display the results of the fraud analytics including, but not limited to an information portal, dashboards, simple user based reporting interfaces, OLAP cubes, network visualization and interactive graphical displays.

2. The solution's end-user interface shall be entirely web browser based, requiring no additional software components installed on the end-user's computer.

3. The solution shall feature an interface that will be able to provide results delivered by multiple data mining models.

4. The solution's end-user interface shall provide investigators with updates of their investigations by capturing and inserting text and images into case folders.

5. The solution's end-user interface shall be updatable and manageable in a way that is transparent to the end-user.

6. The solution's end-user interface shall provide tools that will assist investigators to organize and present their case investigations easily over time.

7. The solution's end-user interface shall enable investigators to explore connected cases investigated by other investigators.

8. The solution's end-user interface shall enable investigators to export data reports to a Microsoft PowerPoint presentation to be sent to their supervisors or to the District Attorney (DA).

9. The solution shall utilize report wizards to provide role-based, interactive end-user interfaces for report building and distribution on the web.

10. The solution shall distribute reports to different sets of users based on pre-defined criteria and schedules.

11. The solution's end-user interface shall allow the use of data from multiple sources and define custom calculations and filter combinations.

12. The solution's end-user interface shall provide the capability to create customized reports with powerful layout capabilities and to choose from a

gallery of common, pre-defined layouts and templates for simple reporting.

13. The solution's end-user interface shall provide the dynamic capability to position and size graphs, tables, text, images, etc., with advanced layout and formatting capabilities.

14. The solution's end-user interface shall print reports to PDF, XML and HTML, and export data, formatted tables and charts to Excel.

15. The solution's end-user interface shall allow users the flexibility to create folders and subfolders where reports can be organized and shared with others or kept in private folders based on security settings.

16. The solution's end-user interface shall allow users to search for relevant reports by name, description, keywords and dates last saved.

17. The solution shall provide a web-based information portal with a browser-based interface to distribute and share information, data, applications and reports.

18. The solution's information portal shall be customizable using wizards and shall feature powerful search capabilities.

19. The solution's information portal shall be able to publish alerts to users through pre-defined and secure channels.

20. The solution's end-user interface shall provide customizable and interactive graphical or tabular dashboards enabling users to easily understand Key Performance Indicators (KPIs).

21. The solution's dashboards shall be a role-based, secure, and easy to administer and use.

22. The solution shall be able to integrate results with Microsoft Office products.

23. The solution shall be able to view and modify existing reports offline with native Office functionality. The solution shall also deliver results as RTF and HTML with Microsoft Word and deliver graphics results directly into Microsoft Word, Excel and PowerPoint in different graphical formats.

24. The solution shall provide visual query capabilities and Web-based wizards that enable users to easily access and query data from relational and multidimensional data sources.

25. The solution shall provide a powerful, multidimensional database designed to handle tens of millions of rows of business intelligence data.

26. The solution shall provide a GUI for easily building and maintaining OLAP cubes.

27. The solution shall provide zero-footprint; browser-based interactive interface exploring and analyzing OLAP cubes, including drilling

up/down capabilities through hierarchies and expand/collapse for entire levels.

28. The solution shall be able to integrate results with ESRI and MapInfo for GIS applications, interactively explore geographical maps, and synchronize drill and display for map and table view.

29. The solution shall be able to visualize information from an OLAP data source in real time, enabling a zoom down to the level of individual houses on a road.

30. The solution's end-user interface shall be able to summarize and present data using a variety of highly customizable charts.

31. The solution's end-user interface shall provide highly interactive graphics to generate static or dynamic interactive (Java or ActiveX) charts and graphs.

32. The solution shall be able to generate graphs in a variety of static forms, including (but not limited to) Microsoft Windows bitmap and metafile, enhanced metafile, JPEG, GIF, TIF, PNG and PBM. The graphs shall be able to be exported in third-party applications like Microsoft Office Applications through interfaces or manually.

33. The solution's end-user interface shall be able to display analytic results in an interactive and visual manner, including interactive simulations, time-series modeling, and exploratory and predictive data analysis.

34. The solution shall provide a variety of alerts to users that will be triggered by high risk scores based on suspicious fraudulent activity and identified by the fraud detection models.

35. The solution's end-user interface shall allow users to retrieve all relevant information about the cases or providers flagged by the fraud platform.

36. The solution's end-user interface shall allow an investigator to incrementally save the state of an investigation and review the saved investigation history.

37. The solution's end-user interface shall provide supervisory personnel with reports summarizing the progress and outcomes of investigations.

38. The solution shall provide the ability to display fraud analytic results at a high level and then drill into the details behind the result summary.

2.6   TECHNICAL REQUIREMENTS

2.6.1   General Technical Requirements

1. The solution shall include components that are reusable and modifiable without reengineering.

2. The solution shall utilize components that are leap year compliant.

3. The solution shall utilize components that are current decade compliant.

4. The solution shall utilize components that are twenty-first (21st) century compliant, with the consistent use of four-digit years.

5. The solution shall utilize components that provide all dates and times in accordance with ISO 8601 for dates from January 1, 1900 to December 31, 2099.

6. The solution shall utilize components that are in compliance with Daylight Savings Time clock changes mandated by applicable federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies, and procedures, including the Energy Policy Act of 2005.

7. Contractor shall provide written notification, including implementation recommendations, to County's Project Director of:

    a. Updates to the System Hardware as soon as each such update is available.

    b. Updates to the Commercially Available Software as soon as each such Update is available.

8. The solution shall utilize the latest or penultimate version of Commercially Available Software, as approved by County's Project Director.

9. The solution System Hardware shall support the latest or penultimate version of Commercially Available Software, as approved by County's Project Director.

2.6.2 System Administration

1. The solution shall have a single point of control for all system administrative tasks for the fraud platform.

2. The solution shall provide single easy-to-use interface to perform the administrative tasks required to create and maintain an integrated environment.

3. The solution's tools shall provide a single point of control for managing all processes including data quality, data integration, storage, end-user interface and analytics.

4. The solution's tools shall follow a wizard-driven approach for almost all tasks for easier use.

5. The solution shall have a central administrative capability to manage servers, databases, users and groups and their associated permissions.

6. The solution's tools shall manage the creation, replication and promotion of metadata repositories and manage all metadata as well as concurrent access to metadata.

7. The solution tools shall utilize an extensible plug-in architecture, allowing customization to support a wide range of administrative capabilities.

8. The solution shall provide a scheduler management facility to create job flows, job flow dependencies and schedules.

9. The solution shall allow system administrator(s) to view a list of all currently logged-on-users.

10. The solution shall include Web-based administration tools.

11. The solution shall allow the administrator to specify the maximum number of connections to the database(s).

12. The solution shall allow administrators to monitor status of all servers in a cluster.

13. The solution shall allow system administrators the ability to cancel a query or report.

14. The solution shall track end-user utilization by date, time and user ID and shall create a monthly summary and detailed report of all activities.

2.6.3 Analytic Model Management

1. The solution shall provide an analytic model management tool to effectively create, manage and deploy statistical, predictive, classification and analytical scoring fraud detection models.

2. The solution's analytic model management tool shall employ an easy-to-use graphical user interface to manage and deploy models—registering, testing and validating models.

3. The solution's analytic model management tool shall validate the scoring logic of models before exporting models to production by checking the performance against expected scoring results.

4. The solution's analytic model management tool shall register all versions of the analytic models (champion model and its challengers) together with their metadata, prerequisite data sources, event logging of all major actions, user-defined notes and supporting documentation in a central repository.

5. The solution's analytic model management tool shall monitor predictive models used in the production environment to ensure optimal predictive performance is maintained and under-performing models are updated or replaced.

6. The solution's analytic model management tool shall annotate and document predictive models including generating model performance and performance benchmarking reports using model assessment charts (like ROC, stability, lift and Gini charts) which are pushed across reporting channels.

7. The solution's analytic model management tool shall perform secure model storage and access administration with backup and restore

capabilities, overwrite protection, event logging and user authentication/access privilege administration.

2.6.4 Security

1. The solution shall support security measures at the database, group and user levels and shall support multiple user roles. Security measures include access to functionality, access to data, program components and access to application processes.

2. The solution shall provide an audit history lets designers see which jobs or tables were changed, when and by whom.

3. The solution shall maintain an audit trail of all transactions.

4. The solution shall support secure remote administration.

5. The solution shall provide role-based permissions showing users only what they are authorized to see.

6. The solution shall have the capability to manage an access control template--a set of security measures that can be defined and then be assigned to a user or group, which establishes the default access controls for a metadata repository.

7. The solution shall have the capability to specify access controls for a metadata object, which define the permissions that users or groups are granted or denied for the object. Metadata objects include tables, application capability, users, groups, access controls define whether a user or group is allowed to perform actions on metadata object like create, read, update, delete.

8. The solution shall have the capability to create access control templates, which are named identity/permission patterns that can be applied to multiple metadata objects.

9. The solution shall have the capability to manage permissions, which represent actions that users can perform on metadata objects or the computing resources represented by the objects.

10. The solution security model must integrate with LDAP/Active Directory.

11. The solution shall, upon authentication, restrict users to only the information for which they are authorized.

12. The solution shall require users to log on to the system before receiving access to functionality or data.

13. The solution shall allow users to change their password at the sign-on screen or from a security screen within the system.

14. The solution shall disable the user's account and notify a system administrator upon three consecutive entries of an incorrect password.

15. The solution shall notify users of impending password expiration and prompt the user to change the password at sign-on if a user's password has expired.

16. The solution shall provide a means to log off a user if no activity has occurred after a specified period of time (e.g., five minutes).

17. The solution shall suspend a user ID if the user ID has not logged into the system for a specified number of days.

18. The solution shall not display the user's password in a readable format on the logon screen.

19. The solution shall not store a user's password in a readable format on a local computing device.

20. The solution shall force the user to immediately change his password when a default "starter" password is issued to the user by the system or by a security administrator.

21. The solution shall allow for the enforcement of password complexity rules by ensuring that the user's password is made up of characters, alphanumeric and special characters.

22. The solution shall retain a history of user passwords and shall not allow the same password to be re-used by a user.

23. The solution shall incorporate encryption into the application utilizing Secure Sockets Layers (SSL).

24. The solution shall track change history to determine who made changes and when the changes took place.

25. The solution shall support up to twenty (20) different user roles.

26. The solution shall provide notification to system administrators when a security event is detected.

27. The solution shall provide a graphic user interface (GUI) for system administrators to update security parameters while the system is online.

28. The solution shall provide capabilities for managing sensitive data (e.g., social security numbers (SSNs) or client identification number (CIN)).

29. The solution's Web product shall protect user ID and password information from transmission in clear-text.

30. The solution shall encrypt passwords sent over a network.

31. The solution shall employ traditional Web Safeguards:

   - Warning banners should be displayed prior to login;
   - Self–service account maintenance should employ strong password standards;
   - Page caching should be disabled to protect those using Internet cafes;
   - Site should not allow browser to pass information exchanges;

- Default 5 minute inactivity timeout.

32. The solution shall categorize data that is transported, processed, or stored according to Federal Information Processing Standards (FIPS) 199 levels (Low, Moderate, or High) and shall comply with security controls for the data as specified in National Institute of Standards and Technology (NIST) Special Publication 800-53.

33. The solution shall comply with the Health Insurance Portability and Accountability Act (HIPAA) of 1996 to the extent and in the manner determined to be applicable and, at minimum, shall address the following:
    a. Standards for Electronic Transactions;
    b. Standards for Privacy of Individually Identifiable Health Information;
    c. Standards for Security.

34. The solution shall allow implementation of a Data Security Plan which satisfies State and Federal requirements including the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and State Administrative Manual (SAM), Section 4840 et seq., Information Technology Risk Management Policy.

35. The solution shall support compliance with Federal and State laws for data confidentiality, privacy, and disclosure including the HIPAA regulations stated in Section 5.2, W&IC §10850 Confidentiality of Individual Data, California Civil Code §1798.24 et seq., Confidentiality and Disclosure of Personal Information.

2.6.5 Audit

1. The solution shall provide auditing features to track transactions of end-users for five and a half year and the access to the audit trail file will be restricted.

2. The transaction audit log will include, at minimum, the following data elements for queries and reports:
   - User name;
   - User ID;
   - Agency;
   - Data and Time of Query;
   - Type of Query; and
   - Information Received.

3. The solution shall restrict access to user and system audit logs to authorized system administrators.

4. The solution shall provide a mechanism by which a system administrator can export selected transaction logs to an external file.

5. The solution shall generate random lists of transactions for agency audits.

6. The solution shall log all add/change, and delete activity to any configuration database.

7. The solution transaction log should be searchable by authorized administrative users by user name, user ID, agency, date, time and by a text string occurring anywhere within the original message.

2.6.6 Reliability, Scalability, Backups and Disaster Recovery

1. System Availability - The System shall be available ***ninety-nine percent (99%)*** of the time throughout the term of the Agreement. System Availability is defined as the percentage of time during the calendar month when the System and all of its Components are working in accordance with the Specifications, including System Requirements. System unavailability starts from the time that the System is not available and the problem is categorized as a Severity Level 1 or a Severity Level 2 Deficiency.

2. System Response Time - The System Response Time during the term of the Agreement shall be no greater than ***three (3) seconds***. System Response Time is defined as the interval of time elapsed from when a User submits a request at any workstation connected to the System until such time as the workstation fully displays the complete response and the User receives the results of the request. System Response Time excludes User Interface Time, defined as the time spent sending the request from the Web server and receiving the result of the request from the Web server back to the Web browser.

3. Contractor shall have available for utilization by County upon County's request and shall utilize tools capable of assessing and measuring the System's compliance with System Performance Requirements specified in the Agreement, including System Requirements.

4. The solution shall be architected to support a System operation with System Availability of 7:00 am – 7:00 pm per day.

5. The solution shall backup the application and data daily. Transactional activity shall be maintained between backups so that the data can be recovered with no more than one hour loss of data.

6. The solution shall retain data for at least five and a half years.

7. The solution shall provide a disaster recovery plan, business continuity plan, and a hot site at a mutually agreed upon location that is in a different location than the deployed fraud platform.

8. The solution shall support server clusters and load balancing for scalability and failover.

9. The solution shall support automatic user re-routing should the active server fail.

10. The solution shall include a scalable platform for analyzing multi-terabyte data sets.

11. The solution shall provide automatic and manual control of caching to balance quick response with scalability.

12. The solution shall include system restart, recovery, and back-up procedures.

2.6.7   System Infrastructure

1. The solution shall include production, development and test environments.
2. The solution development and test environments shall support (minimum 10 users).

3. The solution's production environment shall initially support 200 users (200 concurrent).

4. The solution shall support/operate within Windows or Linux operating system.

5. The solution shall include a scalable platform.

6. The solution shall support parallel processing.

7. The solution shall support one or more of the following browsers. (Indicate versions supported)

   - Internet Explorer;

   - Netscape;

   - Mozilla;

   - Firefox; and

   - Other – identify.

8. The solution shall not require Java applets, ActiveX controls like the XML HTTP object, or any other plug-ins.

9. The solution shall not require the use of cookies on the client browser.

10. The solution shall not require any specific browser settings.

11. The solution shall support web service standards. (e.g., SOAP, WSDL, UDDI).

12. The solution shall include configurable caching that can be turned on or off.

2.6.8   Training and Documentation

1. The solution shall include a DMS Training Plan for system users.

2. The solution shall include development and delivery of training materials for DMS.

3. The solution shall include development and completion of specialized DMS training for County-specified staff.

4. The solution shall include Training Plans that describe the approach to training and the plans for ensuring satisfactory completion of the required training.

5. Contractor shall provide training resources, including instructors, facilities, and equipment, at a level necessary to support training quality and training schedule requirements.

6. Contractor shall employ a training methodology which ensures that training and training materials are effectively applied.

7. The solution shall support the training of various User groups, as determined by County.

8. The solution shall include orientation training to provide a general overview of DMS, including the graphical user interface (GUI) navigation methodology, technology and specialized training.

9. The solution shall include knowledgebase training to be used by County for training, policy, program, and business process clarification.

10. The solution shall include complete documentation describing how to use the system.

11. The solution shall include concise documentation of the system architecture, configuration and development tools.

12. The solution shall include online documentation and/or Help functions.

13. The solution shall include online documentation and/or Help functions which include search capabilities.

14. The solution shall include online documentation and/or Help functions which include the ability to "hotlink" to other pertinent Help topics within the Help document.

15. The solution shall include on online Handbook for reference by County-specified Users, with search capabilities.

16. The solution shall include online documentation and/or Help functions which shall be consistent with all other written materials produced by Contractor or County.

17. The solution shall include online documentation and/or HELP that can be viewed online and/or printed to a local printer as desired.

ATTACHMENT A.2 SYSTEM CONFIGURATION

System configuration hierarchy diagram:

- **SYSTEM (DMS)**
  - **System Data**
    - County Data
    - External Data
  - **System Environment**
    - System Network
    - System Hardware
      - Production Server
      - Back-Up Server
      - Core Application
        - Baseline Software
          - DQ&I Tools
          - Analytics Tools
          - Interface Tools
        - System Solution
          - Data Quality & Integration (DQ&I)
          - Analytics Models
          - Baseline Interface (Portals)
    - Third Party Software
  - **System Software**
    - Application Software
      - Application Modifications
        - Replacement Product
        - Updates
        - Software Enhancements
          - Additional Software
          - Customizations
            - Additional Interfaces
            - Solution Modifications
    - Optional Work
      - Software Enhancements
      - Professional Services
        - Consulting Services
        - Additional Training

11/03/09

LIST OF SYSTEM HARDWARE AND SYSTEM SOFTWARE

Description (e.g., mainframe, server, network connection hardware, data storage, utilities, etc.)	
Components	**Proposed Specification/Manufacturer/Model/Quantity**
Processor & Memory	➢ SUN M5000 w/ 2 Domains (PROD = 4 core, DEV/TEST = 4 core) o 8 total core / 64 GB ==> expandable to 16 core / 128 GB ➢ SUN T5240 w/ 2 x oct core, 32 GB, 4 x HD for PROD Mid-Tier
Disk Storage	➢ 1 TB SAN storage provided with 800 GB Storage backed up
Ports	➢ M5000 will contain 4 SAN ports and T5240 will contain 2 SAN ports ➢ All network ports are 1 Gbps and all SAN ports are 4 Gbps
Removable/Backup Medium	➢ Netbackup Clients and Agents ➢ LT03 Tapes & Tape Drives
Uninterruptible Power Supplies	➢ SAS maintains N+1 UPS and N+1 Generators
Other Equipment	➢ Supporting infrastructure required to support a 99% SLA uptime

System Software Response Forms

System Software

County requires a System that will meet the Specifications at the time of installation. List all System Software to be used including product name, version of the software, and a description of how the software will be used in the System.

System Software	Version/Release	Description
Operating System		
SUN Solaris/SPARC	10	
Application Software		
SAS Fraud Framework + SAS Data Quality	2.1	
Database Management System (DBMS)		
Oracle Enterprise	10g	
Data Communications Software		
SAS Fraud Framework + SAS Data Quality	2.1	
Languages/Compilers		
SAS Fraud Framework + SAS Data Quality	2.1	
Design/Modeling Tools		
SAS Fraud Framework + SAS Data Quality	2.1	
Data Mining/Ad Hoc Query Tools		
SAS Fraud Framework + SAS Data Quality	2.1	
Utilities/Report Writer Programs		
SAS Fraud Framework + SAS Data Quality	2.1	
Other		

ATTACHMENT A.3

ACCEPTANCE CERTIFICATE

[NOTICE TO RFP PROPOSERS: Attachment A.3 to the resultant Agreement shall be updated to reflect the selected proposal prior to the negotiation of the Agreement.]

CONTRACTOR NAME AND ADDRESS	TRANSMITTAL DATE
ACCEPTANCE CERTIFICATE	**CONTRACT NUMBER**
	TITLE

FROM: _____ **CONTRACTOR'S PROJECT DIRECTOR** (Signature Required)	TO: **Hayward Gee** _____ **COUNTY'S PROJECT DIRECTOR**

Contractor hereby certifies to County that as of the date of this Acceptance Certificate, it has satisfied all conditions precedent in the Agreement, including the Exhibits thereto to the completion of the Tasks and delivery of the Deliverable/Key Deliverable set forth below, including satisfaction of the completion criteria applicable to such Tasks and Deliverable/Key Deliverable and County's approval of the work performed in connection with the achievement of such Task. Contractor further represents and warrants that the work performed in respect of such Tasks and Deliverable/Key Deliverable has been completed in accordance with Exhibit A (Statement of Work (SOW)). County's approval and signature constitutes Acceptance of the Tasks and Deliverables listed below.

TASK DESCRIPTION (including Task and Subtask numbers as set forth in the Statement of Work)	DELIVERABLE/KEY DELIVERABLE (including Deliverable/Key Deliverable numbers as set forth in the Statement of Work)

Comments:

Attached hereto is a copy of all supporting documentation required pursuant to the Agreement and Exhibit A (Statement of Work), including any additional documentation reasonably requested by County.

COUNTY ACCEPTANCE:

NAME _Hayward Gee_____ **SIGNATURE** _____ **DATE** _____
    County Project Director
NAME _Wilford Chin_____**SIGNATURE** _____ **DATE** _____
    County Project Manager

DATA MINING SOLUTION (DMS)

FOR

CHILD CARE FRAUD DETECTION

ATTACHMENT A.4 – GLOSSARY

TERM	DEFINITION
A	
Acceptance	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Acceptance Certificate	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Additional Interfaces	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Additional Software	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Additional Training	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Agreement	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Algorithm	A detailed formula or set of steps for solving a particular problem. To be an algorithm, a set of rules must be unambiguous and have a clear stopping point.
Amendment	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
American Standard Code for Information Interchange (ASCII)	An eight-bit code for character representation; includes seven bits plus parity. Documents in ASCII format consist of only text with no formatting and can be read by most computer systems.
Analytical model	A structure and process for analyzing a dataset.
Analytics	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Analytics Models	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Analytics Tools	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
ancillary payment	A payment issued to a work participation program participant to cover the cost of items necessary for participation in work participation program components and/or employment.
Annual Fees	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
applicant	An individual or family applying for public assistance benefits through the County (may also be known as a *client)*.
application	Depending on the context: (1) a specific use for a computer or program; or (2) a written request for public assistance benefits.
Application Modifications	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Application Software	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
ARIMA	Describes a stochastic process or a model of one. Stands for "autoregressive integrated moving-average". An ARIMA process is made up of sums of autoregressive and moving-average components, and may not be stationary.
Artificial Intelligence (AI)	The subfield of computer science concerned with the concepts and methods of symbolic inference by computer and symbolic knowledge representation for use in making inferences-an attempt to model aspects of human thought process with computers.
ASCII	See *American Standard Code for Information Interchange.*
B	
Back-Up Server	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Back-Up Server Plan	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Base Agreement	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Baseline Interfaces; Portals	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Baseline Software	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
BCTS	See *Bureau of Contract and Technical Services.*

TERM	DEFINITION
Binning	A data preparation activity that converts continuous data to discrete data by replacing a value from a continuous range with a bin identifier, where each bin represents a range of values. For example, age could be converted to bins such as 20 or under, 21-40, 41-65 and over 65.
Board of Supervisors; Board	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Bureau of Contract and Technical Services (BCTS)	A Bureau within DPSS.
Business Continuity	The degree to which an organization may achieve uninterrupted stability of systems and operational procedures.
Business Day(s)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Business Hour(s)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
C	
California Work Opportunities and Responsibility to Kids (CalWORKs)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Cal-Learn	A public assistance program for a CalWORKs participant who is under nineteen (19) years of age, is pregnant or parenting, and has not yet completed his/her high school education. The Cal-Learn program is a subprogram of the CalWORKs program.
Cal-Learn program component(s)	A Cal-Learn participant's activities.
CalWORKs	See *California Work Opportunities and Responsibility to Kids.*
Caseload Management Information and Payrolling System (CMIPS)	A State system, which shall interface with the DMS.
CEO	*See Chief Executive Office.*
Change Notice	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Change Order	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Chief Executive Office (CEO)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
Child Care services	A service that provides Child Care referrals for work participation program and Cal-Learn participants and Child Care payments for Service Providers.
CIN	See *Client Index Number.*
Cleaning (cleansing)	Refers to a step in preparing data for a data mining activity. Obvious data errors are detected and corrected (e.g., improbable dates) and missing data is replaced.
client	An individual or family applying for, or receiving, public assistance benefits through the County (County preferred terms are a*pplicant or participant).*
Client Index Number (CIN)	A unique identifier assigned by the Statewide Client Index (SCI) to each individual receiving public assistance in the State.
Clustering	A process of partitioning a set of data into subsets or clusters such that a data element belonging to a cluster is more similar to data elements belonging to the same cluster that the data elements belonging to other clusters.
CMIPS	See *Caseload Management Information and Payrolling System.*
Commercial Off-the-Shelf (COTS)	Hardware and software products that are commercially manufactured, ready-made and available for use by the general public without the need for customization.
compliance	The process of determining a participant's fulfillment of program-specific requirements.
Components	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Confidential Information	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Consulting Services	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Contract Sum	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
Contractor	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Contractor Key Personnel	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Contractor's Project Director	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Contractor's Project Manager	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Core Application	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
COTS	See *Commercial Off-the-Shelf.*
County	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County Data	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County Hardware	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County Key Personnel	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County Materials	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County's Project Administrator	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County's Project Director	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County's Project Manager	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
County's Technical Director	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Cube	A data cube is a multidimensional structure that contains an aggregate value at each point, i.e., the result of applying an aggregate function to an underlying relation. Data cubes are used to implement online analytical processing (OLAP).
Customizations	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
D	
Database	A large collection of data organized for rapid search and retrieval by a computer.
Database Management System; DBMS	A software system that facilitates the creation and maintenance of a database or databases, and the execution of computer programs using the database or databases.
Data Dictionary	A catalog of all data elements, containing their names, structures, and information about their usage, for the benefit of programmers and others interested in the data elements and their usage.
Data Integrity	A state in which all the data values stored in the database are correct.
Data Mart	As a data storage term, data marts tend to store information for a single subject or department, and can be subsets of a larger warehouse.
Data Mining	An information extraction activity whose goal is to discover hidden facts contained in databases. Using a combination of machine learning, statistical analysis, modeling techniques and database technology, data mining finds patterns and subtle relationships in data and infers rules that allow the prediction of future results.
Data Mining Solution; DMS	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Data Quality and Data Integration; DQ&I; DQ&I Solution	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
DQ&I Tools	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Data Repository	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Data Query	To request specific data from a database or ask a question that you want the mining process to answer.

TERM	DEFINITION
Data Staging Area	A data staging area is a system that stands between the legacy systems and the analytics system, usually a data warehouse and sometimes an ODS. The data staging area is considered the "back room" portion of the data warehouse environment. The data staging area is where the extract, transform and load (ETL) takes place and is out of bounds for end users.
Data Visualization	Techniques for turning data into information by using the high capacity of the human brain to visually recognize patterns and trends. There are many specialized techniques designed to make particular kinds of visualization easy.
Data Warehouse	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Days; days	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
DB2	DB2 is a relational database system developed by IBM Corporation, originally for use on large mainframe computer systems. It has since been ported to a variety of platforms including SunOS, Solaris, Linux, Windows 95/98/NT/2000 and HP-UX.
DBMS	See *Database Management System.*
Decision tree	A tree-like way of representing a collection of hierarchical rules that lead to a class or value.
Deficiency; Deficiencies	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Deficiency Credits	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Deliverable(s); deliverable(s)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Department of Public Social Services; DPSS	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Deployment	After the model is trained and validated, it is used to analyze new data and make predictions. This use of the model is called deployment.
Dimension	Each attribute of a case or occurrence in the data being mined. Stored as a field in a flat file record or a column of relational database table.

TERM	DEFINITION
Director	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Disabling Device	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Disaster Recovery Plan; DRP	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Dispute Resolution Procedure	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
DMS	See *Data Mining Solution*.
DMS Transition Plan	See *Transition Plan*.
DMS Transition Support	See *Transition Support*.
Documentation	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Downtime	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
DPSS	See *Department of Public Social Services.*
DQ&I	*See Data Quality and Integration solution.*
Due Date	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
E	
EBT	See *Electronic Benefit Transfer.*
Effective Date	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Electronic Benefit Transfer; EBT	A State system, which shall interface with LEADER.
Eligibility Systems Division; ESD	A Division of BCTS.
Enterprise Connection	County supplied and maintained hardware necessary to connect the System to the Los Angeles County Enterprise Network (LANet/EN). Reference to the Enterprise Connection may include one or more components thereof or all Enterprise Connection in the System.
ESD	See *Eligibility Systems Division.*
ETL	See *Extract, Transform, Load.*
Extended Term	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
Extensible Makeup Language (XML)	Allows designers to create their own customized tag, enabling the definition, transmission, validation, and interpretation of data between applications and between organizations.
External Data	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Extract, Transform, Load; ETL	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
F	
File Transfer Protocol; FTP	A common method to transfer files to and from other computers on the Internet. Most FTP sites require a login name and password before files can be retrieved or sent.
Final Acceptance	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Fixed Hourly Rate	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Food Stamp	A public assistance program established to improve the nutrition of people in low-income households, by increasing their food-buying power so they are able to purchase the amount of food their household needs.
Forecasting	Provide baseline metrics to support, track and measure the performance of an initiative.
FTP	See *File Transfer Protocol.*
Fuzzy logic	Fuzzy logic is applied to fuzzy sets where membership in a fuzzy set is a probability, not necessarily 0 or 1. Non-fuzzy logic manipulates outcomes that are either true or false. Fuzzy logic needs to be able to manipulate degrees of "maybe" in addition to true and false.
G	
GAIN	See *Greater Avenues for Independence.*
GAIN Employment Activity Reporting System; GEARS	A County system that tracks employment, education, vocational, and training activities, and compliance, of GAIN participants. GEARS is provided by Electronic Data Systems Corporation under County Agreement.
GEARS	See *GAIN Employment Activity Reporting System.*

TERM	DEFINITION
General Relief; GR	A County-funded public assistance program that provides financial assistance to indigent adults and certain sponsored legal immigrants who are ineligible for financial assistance under federal or State programs. The GROW program is a subprogram of GR.
General Relief Opportunities for Work; GROW	The County-funded work participation program that provides effective training, employment services, and supportive services to help individuals transition from dependency on public assistance programs to economic self-sufficiency. The GROW program is a subprogram of GR.
Genetic algorithms	A computer-based method of generating and testing combinations of possible input parameters to find the optimal output. It uses processes based on natural evolution concepts such as genetic combination, mutation and natural selection.
Geocoding	Classification of customers based on geographic location.
Geographic Information System; GIS	An organized collection of computer hardware, software, geographic data, and personnel designed to efficiently capture, store, update, manipulate, analyze, and display all forms of geographically referenced information.
GIF	See *Graphics Interchange Format.*
Gini Metric	A measure of the disorder reduction caused by the splitting of data in a decision tree algorithm. Gini and the entropy metric are the most popular ways of selected predictors in the CART decision tree algorithm.
GIS	See *Geographic Information System.*
Go-Live	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
GR	See *General Relief.*
Graphical User Interface; GUI	Presenting an interface to the computer user comprised of pictures and icons rather than words and numbers.
Graphics Interchange Format; GIF	A graphics file format commonly used on the Internet to provide images on Web pages. GIF images are 8-bit (256-color) graphics.

TERM	DEFINITION
Greater Avenues for Independence; GAIN	The State's work participation program, developed in order to comply with the federal Welfare-to-Work (WtW) legislation, which provides effective training, employment services, and supportive services to help individuals transition from dependency on public assistance programs to economic self-sufficiency. The GAIN program is a subprogram of CalWORKs.
GROW	See *General Relief Opportunities for Work.*
GROW System	A County system that tracks employment, education, vocational, and training activities, and compliance, of GR participants, and includes manual processes of DPSS.
GUI	See *Graphical User Interface.*
H	
Help Desk	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
HTML	See *Hyper Text Markup Language.*
Hyper Text Markup Language; HTML	The language used to build hypertext documents on the World Wide Web. They are plain ASCII-text documents interpreted (or rendered) by a web browser to display formatted text and fonts, color, graphic images, and links.
I	
IEVS	See *Income and Eligibility Verification System.*
IEVS Applicant Information	A subsystem within the State IEVS system, which shall interface with the DMS.
IEVS New Hire Registry (NHR)	A subsystem within the State IEVS system, which shall interface with the DMS.
IEVS Payment Verification System; PVS	A subsystem within the State IEVS system, which shall interface with the DMS.
IHSS	See *In-Home Supportive Services.*
Implementation Cost	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
In-Home Supportive Services; IHSS	A public assistance program, which provides necessary personal and domestic care so that aged, blind, and disabled persons may remain in their homes.

TERM	DEFINITION
Income and Eligibility Verification System; IEVS	A State system, which shall interface with the DMS.
Information and Statistical Services (ISS) Section	A Division of BCTS.
Information Technology Division; ITD	A Division of BCTS.
Initial Term	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Interface Tools	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Interfaces	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Internal Services Department; ISD	The County's Internal Services Department responsible for all network and security management and monitoring activities involving the use of the LAnet/EN.
ISD	See *Internal Services Department.*
ISS	Acronym for the **I**nformation and **S**tatistical **S**ervices Section of DPSS.
ITD	See *Information Technology Division.*
J	
Java Database Connectivity	Language that defines how a client may access a database. It provides methods for querying and updating data in a database.
JDBC	*See Java Database Connectivity.*
Joint Photographic Experts Group; JPEG	The name of the committee that designed the photographic image-compression standard. The format (.jpg) is optimized for compressing full-color or grayscale photographic images, and does not work well for line drawings or black-and-white images. JPG images are 24-bit (16.7 million color) graphics.
JPEG	See *Joint Photographic Experts Group.*
K	
Key Deliverable	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
Key Performance Indicator; KPI	A quantifiable, standardized metric that reflects a critical business variable (for instance, market share), measured over time.
Knowledge Management	A discipline, program, or functional group focused identifying, creating, presenting, and distributing information for reuse, awareness and learning. Knowledge Management programs are typically tied to specific organizational objectives and are intended to achieve specific outcomes.
Knowledge Transfer	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
KPI	See *Key Performance Indicator*.
L	
LAN	See *Local Area Network*.
Lanet/EN	See *County Enterprise Network; Lanet/EN*.
Latency	The time delay between the moment something is initiated and the moment its first effect begins. More specifically, the time it takes for a packet of data to get from one designated point to another.
LEADER System	See *Los Angeles Eligibility, Automated Determination, Evaluation and Reporting System*.
Legacy data	The data from DPSS Systems, and other existing data sources.
License	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
License Fees	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
License Renewal Fees	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Likelihood	Another training or estimation method. The likelihood estimate of a parameter is the value of a parameter that maximizes the probability that the data came from the population defined by the parameter.
Local Area Network; LAN	A collection of computers connected to one another in a small area (such as an office or building) in order for users to share programs and devices, such as printers.

TERM	DEFINITION
Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) System	A County system that automates and integrates welfare eligibility determination, benefit calculation, benefit issuance, case maintenance, and fiscal reporting. The LEADER System is provided by Unisys Corporation under County Agreement Number 68587, dated September 12, 1995.
M	
Mainframe	A computer architecture built with a single central processing unit (CPU) to which terminals and / or personal computers (PCs) are connected. All processing takes place in the CPU, and the terminals serve only to capture and retrieve data. Mainframe systems tend to be considered legacy systems, as they are now being replaced by computers in a client/server architecture or by PCs connected to one another through a network.
Maintenance Fees	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Maintenance Services	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Maximum Fixed Price	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Mean	The arithmetic average value of a collection of numeric data.
Medi-Cal	Public assistance programs that provide subsidized health insurance and services to qualifying residents of California.
Medi-Cal Eligibility Data System; MEDS	A State system, which shall interface with the LEADER.
MEDS	See *Medi-Cal Eligibility Data System.*
Metadata	Is data that expresses the context or relativity of data. Examples of meta data include data element descriptions, data type descriptions, attribute/property descriptions, range/domain descriptions and process/method descriptions. Meta data is stored in a data dictionary and repository. It insulates the data warehouse from changes in the schema of operational systems.

TERM	DEFINITION
Method	A function that performs an action by using a COM object, as in SQL-DMO, OLE DB, and ActiveX Data Objects (ADO).
Mining Structure	A data mining object that defines the data domain from which the mining models are built.
Models	An important function of data mining is the production of a model. A model can be descriptive or predictive. A descriptive model helps in understanding underlying processes or behavior.
Multidimensional Query Language	A computer language that allows one to specify which data to retrieve out of a cube. The user process for this type of query is usually called slicing and dicing. The result of a multi-dimensional query is either a cell, a two-dimensional slice or a multi-dimensional sub-cube.
N	
NHR	See *IEVS New Hire Registry*.
O	
Object Code	A code expressed in machine language which is normally an output of a given translation process that is ready to be executed by a computer.
ODBC	See *Open Database Connectivity*.
OLAP	See *On-Line Analytical Processing*.
OLE-DB	Microsoft's OLAP API, effectively the first industry standard for OLAP connectivity. Used to link OLAP clients and servers using a multidimensional language, MDX.
On-Line Analytical Processing; OLAP	A tool that helps organize databases more efficiently for quick access to internal data, especially when querying large amounts. This type of tool is used commonly with databases that organize data in multiple dimensions or aspects.
Open Database Connectivity (ODBC)	A standard for database access co-opted by Microsoft from the SQL Access Group consortium.
Optional Work	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
OSI	Acronym for the State's **O**ffice of **S**ystems **I**ntegration.

TERM	DEFINITION
P	
Parsing	Transforms input text into a data structure suitable for later processing, while capturing the implied hierarchy of the input.
Participant	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Pattern	Analysts and statisticians spend much of their time looking for patterns in data. A pattern can be a relationship between two variables. Data mining techniques include automatic pattern discovery that makes it possible to detect complicated non-linear relationships in data. Patterns are not the same as causality.
PDF	See *Portable Document Format.*
Performance Verification Period	A period, which lasts ninety (90) Days after successful completion and Final Acceptance of System.
Performance Verification Test	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Phase 1	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Phase 2	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Pilot	See definition in Section 2 (Background of the Project) of the RFP
PMML	See *Predictive Model Markup Language.*
Pool Dollars	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Portable Document Format; PDF	An imaging file format technology developed by Adobe Systems. PDF captures formatting information from a variety of applications ins such a way that they can be viewed and printed as they were intended in their original application by practically any computer, on multiple platforms, regardless of the specific application in which the original was created.

TERM	DEFINITION
Predictive Analytics	Methods of directed and undirected knowledge discovery, relying on statistical algorithms, neural networks and optimization research to prescribe (recommend) and predict (future) actions based on discovering, verifying and applying patterns in data to predict the behavior of customers, products, services, market dynamics and other critical business transactions.
Predictive Data Mining Models; Predictive Models	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Predictive Model Markup Language; PMML	Is an XML-based language, which provides a way for applications to define statistical and data mining models and to share models between PMML compliant applications.
Production Environment	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Production Server	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Production Use	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Professional Services	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Project	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Project Administration	A crucial portion of a large or complex project, expert project administration ensures pre-determined policies are followed, issues are communicated, scope creep is addressed and controlled, and the overall performance reporting functions.
Project Control Document; PCD	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Project Office	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Project Schedule	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Proprietary Rights	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
Public assistance program(s)	Federal, State, and County funded programs for eligible individuals, including CalWORKs, Food Stamp program, Medi-Cal, GR, CAPI, IHSS, and any subprograms and related programs to these major programs.
PVS	See *IEVS Payment Verification System.*
Q	
Query Tools	Software that allows a user to create and direct specific questions to a database. These tools provide the means for pulling the desired information from a database. They are typically SQL-based tools and allow a user to define data in end-user language.
R	
Record	In a database, a record (sometimes called a row) is a group of fields within a table that are relevant to a specific entity.
Release Condition(s)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Replacement Product	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Resolution Time	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Response Time	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Rich Text Format; RTF	Is a document file format developed by Microsoft in 1987 for cross platform document interchange.
RTF	See *Rich Text Format.*
Rule	When referring to data mining processes, a rule signifies a pattern of factors that a mining method follows to analyze and compare data effectively.
S	
Sample Agreement	The terms and conditions of Attachment C (Sample Agreement).
Schedule of Payments	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Schema	A set of rules or conceptual model for data structure and content, such as a description of the data content and relationships in a database.

TERM	DEFINITION
Security profile	The access privileges to the DMS Application Software granted to a User or a group of Users.
Severity Level; SL	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Server	A computer that provides information to client machines.
Service Integration Branch; SIB	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Service Provider	An individual and/or agency that provides services to work participation program and Cal-Learn participants.
Services	The Work or labor to be performed by the Contractor on the project as described in this Agreement.
SIB	*See Service Integration Branch.*
Software Enhancements	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Software Support Fees	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Solution Modifications	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Source Code	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Source Code Escrow Agreement	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Specifications	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
SQL	See *Structured Query Language.*
SSN	Acronym for **S**ocial **S**ecurity **n**umber.
Stage One Child Care Program	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
State	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Statement of Work; SOW	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Structured Query Language; SQL	A type of programming language used to perform queries and maintenance in databases.

TERM	DEFINITION
Support Hours	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Support Services	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Supportive Services	A process that provides services (e.g., Child Care, transportation and ancillary payments) that facilitates a work participation program or Cal-Learn participant's ability to participate in work participation program component(s) or Cal-Learn program component(s).
System	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Access	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Availability	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Data	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Environment	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Hardware	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Implementation	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Integration Test	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Maintenance	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Network	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Performance Deficiency	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Performance Requirements	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Performance Warranty	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Requirements	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.

TERM	DEFINITION
System Response Time	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Software	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Solution	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Support Fees	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Test	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Training	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
System Upgrade	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
T	
Tag Image File Format; TIFF)	A popular graphic image file format (.tif).
TANF	See *Temporary Assistance for Needy Families.*
Task; task Subtask; subtask	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Temporary Assistance for Needy Families; TANF	The federal public assistance program for indigent families with dependent children, administered through block grants given to states to run their own programs. California's implementation of TANF is CalWORKs.
Test Environment	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Test Plan	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Text Mining	The application of data mining (knowledge discovery in databases) to unstructured textual data.
TIFF	See *Tag Image File Format.*
Third Party Software	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Training	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Transformation	A re-expression of the data such as aggregating it, normalizing it, changing its unit of measure, or taking the logarithm of each data item.

TERM	DEFINITION
Transition License	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Transition Period	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Transition Plan; DMS Transition Plan	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Transition Support; DMS Transition Support	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
U	
UAT	See *User Acceptance Test.*
Uniform Resource Locators (URL)	The addressing system used in the World Wide Web and other Internet resources. The URL contains information about the method of access, the server to be accessed and the path of any file to be accessed.
UNIX	A software operating system designed to be used by many people at the same time (multi-user) capable of performing multiple tasks or operations at the same time (multi-tasking); common operating system for Internet servers.
Updates	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
URL	See *Uniform Resource Locators.*
User(s); user(s)	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
User Acceptance Test; UAT	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
V	
Vendor	An individual, agency, or other entity (e.g., caregivers and Service Providers) that provides services to County and/or to an applicant/participant.
Version Release	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Virtual Private Network; VPN	A network established over a carrier's digital phone lines and dedicated solely to connecting several specific client sites.
VPN	See *Virtual Private Network.*

TERM	DEFINITION
W	
Warranties	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Warranty Period	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Web Services	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Web-Server Hosting	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Welfare Fraud Linkage Analysis Database System; WFLADS	A DPSS system, which shall interface with the DMS.
Welfare Fraud Prevention and Investigations; WFP&I	The DPSS section that is responsible for investigating allegations of welfare fraud.
Welfare-to-Work; WtW	A federal TANF public assistance program that provides social services in order to enable a participant to become self-sufficient and find living wage employment.
WFLADS	See *Welfare Fraud Linkage Analysis Database System.*
WFP&I	See *Welfare Fraud Prevention and Investigations*.
Work	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
Work Product	See definition in Paragraph 1.3 (Definitions) of the Base Agreement.
WtW	See *Welfare-to-Work.*
X	
XML	See *Extensible Makeup Language*.
Y	
Z	

Data Mining Solution (DMS)
For

Child Care Fraud Detection

Exhibit B - Schedule of Payments

Data Mining Solution (DMS)
Contractor's Name: SAS Institute Inc.

Data Mining Solution (DMS)

Contractor's Name: SAS Institute Inc.

Work Description	Total Firm Fixed Price
System Implementation	$2,510,955
System Maintenance	$1,626,282
Optional Work (Pool Dollars)	$93,700
Total Price	**$4,230,937**

Data Mining Solution (DMS)

Contractor's Name: SAS Institute Inc.

Work Description	Year 1	Year 2	Optional Year 3	Optional Year 4	Total Firm Fixed Price
System Implementation	$2,510,955				$2,510,955
System Maintenance		$673,882	$499,518	$452,882	$1,626,282
Optional Work (Pool Dollars)					$93,700
Total	**$2,510,955**	**$673,882**	**$499,518**	**$452,882**	**$4,230,937**

Data Mining Solution (DMS)

Contractor's Name: SAS Institute Inc.

System Implementation	
Deliverables	**Firm Fixed Price**
1.1 - Project Control Document	$8,500
1.2 - Status Reports and Conferences	$8,500
1.3 - Project Office Certification	$2,100
1.4 - Web-Server Hosting Certification	$2,100
2 - Assessment and Requirements Document	$61,500
3.1 - Design Specification Document	$23,300
3.2 - System Configuration Plan and Certification	$87,350
3.3 - System Hardware Certification	$87,900
4.1 - System Software Certification	$117,100
4.2 - Data Quality and Integration Solution	$89,100
4.3 - Predictive Data Mining Models	$137,900
4.4 - Baseline Interfaces	$36,100
* 4.5 - Deployed Fraud Solution Platform	$1,552,705
5.1.1 - System Integration Test Plan	$31,800
5.1.2 - System Integration Test Results	$21,200
5.2.1 - User Acceptance Test Plan	$12,700
5.2.2 - User Acceptance Test Status Reports	$6,400
5.2.3 - User Acceptance Test Certification	$6,400
6.1 - System Production Use	$10,600
6.2.1 - Performance Verification Report	$10,600
6.2.2 - Final Acceptance	$12,700
7.1 - Trained County Staff	$53,000
8.1 - System Documentation	$42,400
9.1 - System Maintenance Plan	$12,700
9.2 - System Maintenance	$63,600
9.3.1 - DMS Transition Plan	$12,700
Total	**$2,510,955**

* **Will be paid in four (4) quarterly installments in arrears, with first due three (3) months after the Effective Date and every three (3) months thereafter. For example, with Effective Date of December 31, 2009, payments will be due on March 2010, June 2010, September 2010, December 31, 2010**

Data Mining Solution (DMS)
Contractor's Name: SAS Institute Inc.

	System Maintenance	Firm Fixed Price			
	Description of System Maintenance	Year 1	Year 2	Optional Year 3	Optional Year 4	Firm Fixed Price Years 2-4
	9.2 - System Maintenance					
	System Hardware					
*	Production Server/Back-up Server		$111,906	$67,461	$18,600	
	Infrastructure Hosting		$37,492	$27,453	$18,922	
	Infrastructure Network					
	Infrastructure Back-up Hosting					
	Infrastructure/DR/Network/Storage					
	System Software					
*	Third Party Software		$81,522	$24,910	$24,910	
*	Application Software		$219,392	$217,909	$228,665	
	Application Modifications		$100,000	$100,000	$100,000	
	Replacement Products					
	Updates					
	Help Desk Support (Technical and User Support)		$123,570	$61,785	$61,785	
	Total of System Maintenance		**$673,882**	**$499,518**	**$452,882**	**$1,626,282**

*   **Software Support Fees - shall be paid to Contractor on annual basis in advance.**

Data Mining Solution (DMS)
Contractor's Name: SAS Institute Inc.

Optional Work*	Fixed Hourly Rate
All Other Labor Resources except those listed below	$175
Jr. ETL Analyst	$150
Documentation Specialist QA Analyst	$125

Fixed Hourly Rate shall be used to calculate Maximum Fixed Price for Optional Work, which may be provided by Contractor during the term of the Agreement. Fixed Hourly Rate shall not increase during the term of the Agreement.

* Optional Work will be determined solely by County. Contractor is not required to enter any pricing other than the Fixed Hourly Rate.

Data Mining Solution (DMS)

Contractor's Name: SAS Institute Inc.

Staffing	Year 1			Year 2			Optional Year 3			Optional Year 4		
	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price	# of Persons	Hourly Rate	Annual Price
Project Director - John Brocklebank	1	$225	$45,000	1	$0	$5,000	1	$0	$5,000	1	$0	$5,000
Project Manager - Jim Georges	1	$190	$114,000	1	$0	$30,000	1	$0	$30,000	1	$0	$30,000
Project Manager - Stu Bradley	1	$150	$45,000	1	$0	$17,500	1	$0	$17,500	1	$0	$17,500
Key Personnel		$0	$0		$0	$0		$0	$0		$0	$0
Analytics Manager - Jin-Whan Jung	1	$200	$40,000	1	$200	$5,000	1	$200	$5,000	1	$200	$5,000
Analytics Consultant - Jay King	1	$175	$96,250	1	$175	$15,000	1	$175	$15,000	1	$175	$15,000
Analytics Consultant - Sanjay Arangala	1	$175	$70,000	1	$175	$12,000	1	$175	$12,000	1	$175	$12,000
Analytics Consultant - TBD	1	$175	$70,000									
IT Manager	1		$0									
SSO IT Consultant	1		$0									
ISD IT Consultant	1		$0									
SAS Administrator - Don Koch	1	$150	$97,500	1	$150	$3,500	1	$150	$3,500	1	$150	$3,500
ETL Consultant - Bryan Mohorn	1	$150	$51,000	1	$150	$5,000	1	$150	$5,000	1	$150	$5,000
Documentation Specialist	1	$125	$50,000	1	$125	$2,000	1	$125	$2,000	1	$125	$2,000
Quality Assurance Manager	1	$125	$43,750	1	$125	$1,500	1	$125	$1,500	1	$125	$1,500
Quality Assurance Consultant	1	$125	$50,000	1	$125	$3,500	1	$125	$3,500	1	$125	$3,500
Total			**$772,500**			**$100,000**			**$100,000**			**$100,000**

SCHEDULE B.1

OPTIONAL WORK

[NOTICE TO RFP PROPOSERS: Schedule B.1 to the resultant Agreement shall be updated to reflect the selected proposal prior to the negotiation of the Agreement.]

1.   OPTIONAL WORK

ITEM NO.	DESCRIPTION/TYPE	REQUEST DATE	DELIVERY DATE	COUNTY APPROVAL DATE	MAXIMUM FIXED PRICE
Subtask 9.3.2	**DMS Transition Support**				**$63,700**
	SUBTOTAL				**$**

2.   POOL DOLLARS

EVENT (Effective Date, Change Notice, Amendment)	EVENT DATE	ADJUSTED AMOUNT ("+", "-")	REMAINING AMOUNT
			$ 30,000

EXHIBIT C

PROJECT SCHEDULE

[NOTICE TO RFP PROPOSERS: Exhibit C to the resultant Agreement shall be updated to reflect the selected proposal prior to the negotiation of the Agreement.]

1   INTRODUCTION

This Exhibit C shall set final Due Dates for the provision of System Implementation Deliverables by Contractor under the Statement of Work following, and as a result of, Contractor's successful completion of Deliverable 1.1 (Project Control Document) of Exhibit A (Statement of Work). Contractor warrants and agrees to provide County the required Deliverables for System Implementation pursuant to the Project Schedule set forth in this Exhibit C.

2   PROJECT SCHEDULE

The Project Schedule provides the following:

A.   "Del. No." refers to the Deliverable Numbers as specified in the Statement of Work.

B.   "Deliverable Summary" sets forth the description of the Deliverables as specified in the Statement of Work.

C.   "Due Date" sets forth the Deliverables due dates.

Exhibit C – Project Schedule
Data Mining Solution (DMS)

3 SYSTEM IMPLEMENTATION

DEL NO.	DELIVERABLE SUMMARY	DUE DATE
1.1*	Project Control Document	
1.2	Status Reports and Conferences	
1.3	Project Office Certification	
1.4	Web-Server Hosting Certification	
2	Assessment and Requirements Document	
3.1	Design Specifications Document	
3.2	System Configuration Plan and Certification	
3.3	System Hardware Certification	
4.1	System Software Certification	
4.2	Data Quality and Integration Solution	
4.3	Predictive Data Mining Models	
4.4	Baseline Interfaces	
4.5*	Deployed Fraud Solution Platform	
5.1.1	System Integration Test Plan	
5.1.2	System Integration Test Results	
5.2.1	User Acceptance Test Plan	
5.2.2	User Acceptance Test Status Reports	
5.2.3*	User Acceptance Test Certification	
6.1	System Production Use	
6.2.1	Performance Verification Report	
6.2.2*	Final Acceptance	
7.1	Trained County Staff	
8.1	System Documentation	

Exhibit C – Project Schedule
Data Mining Solution (DMS)

4   SYSTEM MAINTENANCE & OPTIONAL WORK

DEL NO.	DELIVERABLE SUMMARY	DUE DATE
9.1	System Maintenance Plan	
9.2	System Maintenance	
9.3.1	DMS Transition Plan	
9.3.2	DMS Transition Support	
10.1*	Software Enhancements	As specified in Change Order
10.2*	Professional Services	As specified in Change Order

* Key Deliverables

Exhibit C – Project Schedule
Data Mining Solution (DMS)

EXHIBIT D

SYSTEM MAINTENANCE

GENERAL

This Exhibit D sets forth the scope of, and Contractor's service level commitment regarding, the maintenance and operational support of the System, including, but not limited to, System Maintenance consisting of Maintenance Services and Support Services, correction of Deficiencies, Warranties and County's remedies for Contractor's failure to meet the service level commitment specified herein. Capitalized terms used in this Exhibit D without definition shall have the meanings given to such terms in the Base Agreement.

The following Schedules are attached to and form a part of this Exhibit D:

Schedule D.1 – County Remote Access Policies

Schedule D.2 – LA County Extranet IT Security Standards (Draft)

Schedule D.3 – County of Los Angeles Agreement for Acceptable Use and Confidentiality of County's Information Technology Assets, Computers, Networks, System and Data (IT Confidentiality and Acceptable Use Agreement).

1.   SCOPE OF SERVICES

1.1   DESCRIPTION

Contractor shall provide System Maintenance specified in the body of the Agreement and this Exhibit D, as more fully described below. System Maintenance shall include Maintenance Services and Support Services. System Maintenance shall commence in accordance with the provisions set forth in Paragraph 5.3 (System Maintenance) of the Base Agreement and shall continue for the term of the Agreement.

Contractor shall provide System Maintenance for the System from Contractor's business premises or at the County site, as necessary to fulfill its obligations under the Agreement.

1.2   DEFINITIONS

1.   As used herein, the term "Downtime" shall have the meaning specified in Section 5.1 (Deficiency Credits).

2.   As used herein, the term "Deficiency Credit(s)" shall have the meaning specified in Section 5.1 (Deficiency Credits).

3.   As used herein, the term "Disabling Device(s)" shall have the meaning specified in 4.1 (General Warranties).

4.   As used herein, the term "Scheduled Downtime" shall have the meaning set forth in Section 2.1.3 (System Hardware).

5.   As used herein, the term "Support Hours" shall mean 7:00 a.m. to 7:00 p.m. Pacific Time daily.

6.   As used herein, the term "System Upgrade" shall have the meaning set forth in Section 5.2 (System Performance Requirements and Deficiencies).

2.   SYSTEM MAINTENANCE

2.1   <u>MAINTENANCE SERVICES</u>

2.1.1   <u>UPDATES</u>

Contractor shall provide Maintenance Services related to System Software (hereinafter "Maintenance Services"), including Updates, as described in this section below. Contractor shall provide Updates to Application Software to keep current with Contractor's hosting technology standards, industry standards, Third Party Software upgrades, enhancements, updates, patches, bug fixes, etc., in accordance with this Exhibit D, as coordinated with County's Project Manager.

Without limiting the other provisions of this Agreement, including, without limitation, this Exhibit D, such Updates shall be provided to County at least once every year, unless otherwise agreed to by County and Contractor. Contractor shall offer to County Updates, including, but not limited to, updates, enhancements, improvements and Version Releases of the Application Software, or any Component or module of such Application Software, and all Documentation related thereto promptly after the creation thereof.

Contractor shall notify County of all such Updates to the Application Software prior to the anticipated installation date thereof. Installation of each Update shall be subject to prior written or electronic approval of County's Project Manager. Contractor's provision and installation of such Updates to the Application Software shall be at no additional cost to County beyond any applicable Maintenance Fees. Any Updates necessary to remedy security problems in the Application Software (e.g., closing "back doors" or other intrusion-related problems), whether identified by Contractor, County or a third party, shall be provided to County within five (5) calendar days of Contractor's knowledge of the existence of such security problems, unless agreed to otherwise. County acknowledges that Contractor's software products require a product authorization code ("Setinit") issued by Contractor in order to operate, and such code is not a "security problem."

2.1.2   <u>THIRD PARTY SOFTWARE</u>

Maintenance Services additionally include ongoing maintenance of Third Party Software's compatibility with the Application Software. Prior to the installation of any Third Party Software, Contractor shall test the compatibility of each update to the Third Party Software with County's then-current Application Software and shall report its findings to County.

Contractor shall ensure that the Application Software is compatible with the required or critical updates to Third Party Software, including, without limitation, service and compatibility packs and security patches, within seven (7) calendar days or as soon as commercially reasonable after release of such update.

In the event it is determined that any required update is not compatible with the Application Software, Contractor shall provide County with a workaround to protect the integrity of the Application Software until such time as the Deficiency is corrected. Compatibility issues with Third Party Software will be subject to Section 3 (Correction of Deficiencies) of this Exhibit D below.

2.1.3   SYSTEM HARDWARE

Contractor shall repair, upgrade or replace System Environment Components, including System Hardware and System Network, but excluding County Hardware, during the term of the Agreement to comply with the System Requirements and the Warranties specified in this Agreement and to support and be compatible with any Application Modifications, as necessary to comply with Contractor's System Maintenance obligations and Warranties specified in this Agreement.

2.1.4   SCHEDULED DOWNTIME

Unless agreed to otherwise in advance by County and Contractor, Contractor shall provide all Maintenance Services, including installation of Updates, during Scheduled Downtime. For the purpose of this Exhibit D, "Scheduled Downtime" shall mean all time that the System Software cannot be accessed due to scheduled maintenance including, but not limited to, preventative maintenance, updates, upgrades, scheduled reboots and restarts. Contractor shall work with County to determine a mutually agreeable time for Scheduled Downtime. As of the Effective Date, the Scheduled Downtime covers an outage window during the third weekend of each month from 7:00 a.m. EST Saturday – 7:00 p.m. EST Sunday.

2.2   SUPPORT SERVICES

2.2.1   HELP DESK

Contractor shall provide support services in respect of the System as described in this Exhibit D and this Agreement generally (collectively "Support Services"). As part of its Support Services, Contractor shall provide operational support for the System during the Support Hours, which shall include without limitation providing a point of contact for all System problems by maintaining a Help Desk. Such operational support shall include Support Services to correct any failure of the System and to remedy Deficiencies in accordance with Section 3 (Correction of Deficiencies) below to ensure that the System operates in accordance with the Specifications and the System Requirements, including, without limitation, System Performance Requirements. The Help Desk will respond with a plan for resolving each Deficiency and notify County's Project Manager.

2.3   BUSINESS CONTINUITY AND BACK-UP SERVER

Contractor provides for a Business Continuity Plan, which shall be made available to County at http://www.sas.com/corporate/continuity.pdf. In addition to, or as part of Contractor's then current Business Continuity Plan, Contractor, with County's assistance, shall implement, pursuant to a mutually agreed upon Back-Up Server Plan, a Back-Up Server to be located and installed at the County specified location that will be capable of handling at least fifty percent (50%) of the processing capacity of the System Hardware. Contractor will install the System Software on such Back-Up Server.   Contractor will work with County to define the appropriate connectivity and storage allocation and configuration to be provided by County. System Data will be transferred from the System to the Back-Up Server using a mutually agreed-upon schedule. This Back-Up Server will be designated as a remotely managed server to be managed by Contractor and utilized for the purpose of providing the necessary backup environment, unless agreed to otherwise by County and Contractor. Contractor will work with the appropriate County personnel

to develop a suitable implementation schedule in the Back-Up Server Plan, which shall include, at a minimum:

- Establishment of network and remote access;

- Installation of hardware and operating systems;

- Configuration of authorization and authentication;

- Installation of Application Software;

- System Data transfer timing;

- Business continuity; and

- Coordination of County system verification.

As part of its System Maintenance obligations under the Agreement, Contractor shall maintain the Back-Up Server in the System Environment.

3.   CORRECTION OF DEFICIENCIES

3.1   IDENTIFICATION OF DEFICIENCIES

The Deficiencies under this Agreement may be identified either as a result of Contractor's use of its own support system or discovered by County. Upon discovery of a Deficiency by County, County will report the Deficiency to Contractor's Help Desk for resolution in accordance with this Exhibit D.

The Severity Level of the Deficiency shall be assigned mutually by County and Contractor. Based on Contractor's proposed solution and/or workaround(s) for the Deficiency, County and Contractor may reevaluate and, escalate or downgrade the Severity Level of the Deficiency pursuant to Section 3.2.3 (Severity Level Adjustment) below. If a mutually agreed upon resolution cannot be reached, County will exercise Dispute Resolution Procedure as specified in Paragraph 53 (Dispute Resolution Procedure) of the Base Agreement.

For purposes of this Agreement, the term Deficiency does not include any failure or delay in performance caused by reasons beyond Contractor's reasonable control, including, but not limited to, acts of God, third-party mechanical or other equipment breakdowns, fire, explosions, fiber optic cable cuts, interruption or failure of telecommunication or digital transmission links, Internet failures or delays, storms, actions of County or its personnel or agents or other similar events.

3.2   RESOLUTION OF DEFICIENCIES

3.2.1   PROBLEM CORRECTION PRIORITIES

County and Contractor shall mutually assign one of the Severity Levels specified below to each incident of Deficiencies reported by County to Contractor's Help Desk and/or entered in Contractor's incident tracking system. Following report of a Deficiency from County, Contractor shall respond back to County within the prescribed "Response Time" specified below, while each such Deficiency shall be resolved within the specified "Resolution Time". If a mutually agreed upon resolution cannot be reached, County will exercise Dispute Resolution Procedure as specified in Paragraph 53 (Dispute Resolution Procedure) of the Base Agreement.

SEVERITY LEVEL	DESCRIPTION OF DEFICIENCY	RESPONSE TIME	RESOLUTION TIME
1 - Critical	Widespread System unavailability – Production System is down or any System Component is completely or functionally inoperable. Making a major operational impact to County.	One (1) hour	Eight (8) hours
2 - Major	Problem that substantially degrades performance of any Application Software component or materially restricts business; restricts use of one or more modules or features of Application Software to perform necessary business functions, but not entire Application Software. Users can use Application Software; but an important function of it is not available; operations are severely impacted.	Three (3) Business Hours	Twenty-four (24) Business Hours
3 - Minor	A problem that causes only a minor impact on the use of the Application Software. The problem can be easily circumvented. The problem can cause some functional restrictions, but it does not have a critical or severe impact on operations.	Five (5) Business Hours	Two (2) weeks
4 – Low Impact	This is a low impact problem and is not significant to operations or is related to education (e.g., general "how to" and informational Application Software questions, Documentation requests, understanding of reports or general "how to" create reports).	Two (2) Business Days	Earlier of (i) the next Version Release or (ii) 12 months of County's report thereof, beginning when County reports Deficiency to Contractor.

3.2.2 PROBLEM RESOLUTION PROCESS

For any Deficiency reported by County or discovered by Contractor, Contractor shall immediately commence corrective action. Contractor shall correct all Deficiencies within the Resolution Times specified above. Contractor shall also immediately commence to develop a workaround or a fix for any Deficiency of Severity Level 1.

Contractor shall provide the best level of effort to correct all Deficiencies, and in particular Deficiencies of Severity Levels 1 through 3. In the event that Contractor fails to correct a Deficiency within the prescribed Resolution Time, Contractor shall provide County with a written or electronic report that includes a detailed explanation of the status of such Deficiency, preliminary actions taken, detailed mitigation plans and an estimated time for completing the correction of such Deficiency. This process will be repeated until the Deficiency is resolved and approved by County's Project Manager. The parties will jointly cooperate during this period of time.

All Severity Level 4 Deficiencies shall be corrected by the earlier of (i) the next Version Release or (ii) twelve (12) months from County's report of such Deficiency, as specified above.

3.2.3   SEVERITY LEVEL ADJUSTMENT

County and Contractor may mutually agree to escalate or downgrade a Severity Level of a Deficiency if the Deficiency meets the definition of the Severity Level as escalated or downgraded. A Deficiency may also be mutually escalated by County and Contractor, if the Deficiency persists or re-occurs, as determined by County's Project Manager. At the time the Deficiency is escalated or downgraded, an appropriate timeline will be applied for resolution of such Deficiency in accordance with Section 3.2.1 (Problem Correction Priorities) above. If a mutually agreed upon resolution cannot be reached, County will exercise Dispute Resolution Procedure as specified in Paragraph 53 (Dispute Resolution Procedure) of the Base Agreement.

4.   WARRANTIES

4.1   GENERAL WARRANTIES

Contractor represents, warrants, covenants and agrees that throughout the term of this Agreement:

1.   Contractor shall comply with the description and representations (including, but not limited to, Deliverable documentation, performance capabilities, accuracy, completeness, characteristics, Specifications, configurations, standards, functions and requirements applicable to professional software design meeting industry standards) set forth in this Agreement, including Exhibit A (Statement of Work) with all Attachments thereto, including System Requirements and System Performance Requirements.

2.   All System Components shall interface and be compatible with each other; and the System Components, when taken together, shall be capable of delivering all of the functionality as set forth in this Agreement (including, without limitation, the Recitals, System Requirements, System Performance Requirements and the Specifications).

3.   Unless specified otherwise herein, the System shall be free from any and all material Deficiencies.

4.   The level of System Maintenance services shall not degrade during the term of the Agreement.

5.   Contractor shall not intentionally cause any unplanned interruption of the operations of, or accessibility to the System or any System Component through any device, method or means including, without limitation, the use of any "virus", "lockup", "time bomb", or "key lock", "worm", "back door" or "Trojan Horse" device or program, or any disabling code, which has the potential or capability of compromising the security of County's confidential or proprietary information or of causing any unplanned interruption of the operations of, or accessibility of the System or any System Component to County or any User or which could alter, destroy, or inhibit the use of the System, any System Component, or the data contained therein (collectively referred to for purposes of this Exhibit D as "Disabling Device(s)"), which could block access to or prevent the use of the System or any System Component by County or Users. Contractor represents, warrants and agrees that it has not purposely placed, nor is it aware of, any

Disabling Device on any System Component provided to County under this Agreement, nor shall Contractor knowingly permit any subsequently delivered System Component to contain any Disabling Device. Contractor's Setinit is not a Disabling Device as defined herein.

In addition, Contractor shall prevent viruses from being incorporated or introduced into the System Software or updates or enhancements thereto prior to delivery and installation thereof to County and shall prevent any viruses from being incorporated or introduced in the process of Contractor's loading of System Software, or updates and enhancements thereto, or being introduced in the process of Contractor's performance of on-line support. County acknowledges that Contractor is not necessarily the manufacturer of the virus protection software. County is solely responsible for virus protection measures on County's client devices and its County controlled network.

4.2   SYSTEM WARRANTIES

Contractor also represents, warrants, covenants and agrees that throughout the term of this Agreement:

1.   While County is covered by System Maintenance, Contractor shall support all Application Software components in their respective then-existing architecture and for their respective then-existing Version Releases and the most recent prior two (2) Version Releases for the term of this Agreement.

2.   System Software shall be fully integrated and interfaced as required by the System Requirements relating to Interfaces.

3.   Application Software shall be fully compatible with the rest of the System Software Components and any County software operated by County on the County Hardware.

4.   None of the Application Software requires execution by County of software licenses with third parties.

5.   The System Components shall interface and be compatible with each other; and the System Components, when taken together, shall be capable of delivering all of the functionality and meeting all requirements as set forth in this Agreement (including, without limitation, the Recitals, System Requirements and the Specifications).

4.3   SYSTEM PERFORMANCE

Contractor represents, warrants, covenants and agrees that the System shall meet the System Performance Requirements, including, but not limited to, those related to System Response Time and System Availability, as specified in Attachment A.1 (System Requirements) and Section 5.2 (System Performance Requirements and Deficiencies) of this Exhibit D below. All System Performance Deficiencies shall be deemed at a minimum as Severity Level 2 for the purpose of the correction of Deficiencies and other remedies.

5. REMEDIES

5.1 DEFICIENCY CREDITS

5.1.1 GENERAL

Credits shall accrue for Contractor's failure to timely correct any Severity Level 1, Severity Level 2 or Severity Level 3 Deficiency and/or for the occurrence of three (3) or more Severity Level 1 Deficiencies in any single calendar month (collectively and individually, "Deficiency Credit(s)").

Without limiting any other rights and remedies available to County, either pursuant to this Agreement, by law or in equity, County shall be entitled to Deficiency Credits in the event that either (i) Contractor fails to correct a Severity Level 1, Severity Level 2 or Severity Level 3 Deficiency (hereinafter "Downtime") within the timeframes set forth in Section 3 (Correction of Deficiencies) of this Exhibit D, or such longer period as agreed to by County and Contractor, or (ii) three (3) or more Severity Level 1 Deficiencies occur in any calendar month during the term of this Agreement.

Deficiency Credits shall not be assessed for Downtime occurring during mutually agreed upon scheduled or planned shut down of the System Hardware, Scheduled Downtime or Response Time testing.

5.1.2 ASSESSMENT OF DEFICIENCY CREDITS

1. If Contractor fails to correct any Severity Level 1, Severity Level 2 or Severity Level 3 Deficiency within the timeframes set forth in this Exhibit D, then in each instance, County may, in its sole discretion, assess Deficiency Credits in amounts per day for each day, or portion thereof, during which any Deficiency continues beyond the Resolution Time prescribed for the applicable Severity Level of such Deficiency, as set forth below:

   i. For Severity Level 1 Deficiencies, Five Hundred Dollars ($500) per day;

   ii. For Severity Level 2 Deficiencies, Three Hundred Dollars ($300) per day; and

   iii. For Severity Level 3 Deficiencies, One Hundred Dollars ($100) per day.

   The amount of time elapsed for the calculation of Deficiency Credits will be determined by the timestamp or other evidence issued by the Help Desk at such time as a service request is sent by County to Contractor.

2. If during any calendar month three (3) or more Severity Level 1 Deficiencies occur, then, in each instance, County may, in its sole discretion, assess Deficiency Credits in an amount equal to Five Thousand Dollars ($5,000).

3. Notwithstanding anything to the contrary set forth in this Exhibit D, (i) any Deficiency Credits accruing to County as a result of a Downtime or Deficiency shall be based upon its escalated or downgraded Severity Level, if applicable, assigned to such Deficiency in accordance with Section 3.2.3 (Severity Level Adjustment) of this Exhibit D; and (ii) the maximum amount of Deficiency Credits for any month of the term of the Agreement is Eight Thousand Dollars ($8,000).

Contractor shall be liable to County for Deficiency Credits in the amounts as specified above. Deficiency Credits, in any amounts, are not and shall not be construed as penalties and, when assessed, will be deducted from County's payment due to Contractor.

5.2   SYSTEM PERFORMANCE REQUIREMENTS AND DEFICIENCIES

Contractor shall during the term of the Agreement maintain the System Performance Requirements as specified below and further described in the applicable sections of Attachment A.1 (System Requirements).

System Performance Category	System Performance Requirement
System Availability	Ninety-nine percent (99%)
System Response Time	Three (3) seconds Excluding: • Issues outside of Contractor's control • Ad-hoc requests • Backend processing
Back-Up Server Hosting	Up within 5 hours of any disaster occurrence (provided that County meets its obligations under the Back-Up Server Plan mutually agreed to per Section 2.3 (Business Continuity and Back-Up Server) above

In the event the System fails to meet the System Performance Requirements, including Response Times (hereinafter "System Performance Deficiency"), and upgrade, repair or replacement of any of the System Environment Components (hereinafter "System Upgrade"), including operating software, hardware and/or networking components, is necessary to remedy the Deficiency, Contractor shall perform the necessary System Upgrade at no cost to County during the term of the Agreement. Failure by Contractor to meet the System Performance Requirements specified herein shall entitle County to the Deficiency credits based on the applicable Severity Level as specified in Section 5.1 (Deficiency Credits).

SCHEDULE D.1

COUNTY REMOTE ACCESS POLICY

[NOTICE TO RFP PROPOSERS: Schedule D.1 to the resultant Agreement shall be updated to reflect the selected proposal prior to the negotiation of the Agreement.]

This Schedule D.1 (County Remote Access Policies) sets forth the policies and procedures for Contractor's remote access to County's network.

1. PURPOSE

The purpose of this policy is to define standards for connecting to any DPSS network from any host. These standards are designed to minimize the potential exposure to DPSS from damages that may result from unauthorized use of a vendor's resources. Damages include the loss of sensitive or company confidential data, intellectual property, damage to public image, or damage to critical DPSS internal systems.

2. POLICY

The computer systems, networks and data repositories of County's Department of Public Social Services' networks are critical resources and must be protected against unauthorized and/or malicious access. Authorized users of DPSS computer systems, networks and data repositories may be permitted to remotely connect to those systems, networks and data repositories for the conduct of DPSS-related business only through secure, authenticated and carefully managed access methods.

It is the responsibility of County approved vendors and their employees, contractors and agents with remote access privileges to any DPSS networks to ensure that their remote access connection to any of our applications is given the same consideration as the user's on-site connection.

DPSS facilities will have and maintain complete control of access into their networks. DPSS facilities will open up the portal when access is needed and will shut down portal access when the vendor has completed their required work.

Secure remote access must be strictly controlled. Control will be enforced via RSATM one-time password tokens that will be assigned accordingly. At no time should any outside vendor provide their token, login or password to anyone.

County approved vendors and their employees, contractors and agents with remote access privileges must ensure at their vendor-owned personal computer or workstation, which is remotely connected to any DPSS network, is not connected to any other network at the same time.

All remote vendor or business partner connections to the DPSS network must be secured with industry standard encryption (e.g., SSL, SSH, IPSEC, etc.) and authentication mechanisms. Connections should be restricted by IP address and

service (port). Back-end systems that are accessed through remote connections must be properly secured (locked down to the extent possible) to ensure other portions of the DPSS network cannot be accessed from those devices.

The remote connections and related activities must be auditable and reviewed for appropriateness on a regular basis by the responsible DPSS system administrator(s). Remote connection audit logs must be retained for at least one year. Audit logs must be provided upon request.

All hosts, including personal computers, connected to any DPSS internal networks via remote access technologies must use the most up-to-date anti-virus software as determined by DPSS Information Technologies (DPSS/IT).

Personal equipment used to connect to any DPSS network must meet all DPSS remote access requirements.

3.   CROSS REFERENCES SCHEDULE D.3

Board of Supervisors Policy 6.101, Use of County Information and Technology Resources.

SCHEDULE D.2

LA County Extranet IT security standards (Draft)

Standard:

1. **LA County vendors that are connecting to the extranet in order to access various LA County IT systems must agree to the following 'LA County extranet' IT security standards - prior to obtaining approval for connectivity:**

1.1   Vendor must review and adhere to all applicable LA County IT written security policies, procedures and standards.

1.2   Vendor must connect to 'LA County extranet' via secure methods such as private or dedicated circuits.

1.3   Vendor must provide specific TCP/IP source and destination addresses - and port numbers for all connectivity. This information will be used to define access-list and firewall restrictions to control access to and from the resources. This information should also be utilized at the vendor network access-points as well.

1.4   Vendor must encrypt any sensitive data in transmission and at-rest in accordance to the County's 'external agencies data classification standards'.

1.5   Vendor must employ authentication methods prior to accessing LA County resources. Each user must have unique user identity and strong passwords

1.6   Vendor must enable logging and auditing functions on servers and applications - review logs on a regular basis

1.7   Vendor must maintain their PC and server anti-virus program and regularly update definitions.

1.8   Vendor must also establish and implement PC and server OS security base-lines and keep security patches up-to-date

1.9   Vendor must conduct background checks on all employees and contractors. Ensure that only authorized staff are granted access to County systems.

1.10 Vendor must have formal written approval process for changes to LA County connections or access

1.11 Vendor must establish help desk call-back list and written escalation procedures

1.12 Vendor must have dedicated IT Security personnel on staff.

Name/date:

DEC 0 1 2009

Victoria P. Clayton
Senior Manager
Contracts Administration
SAS Institute Inc.

COUNTY OF LOS ANGELES
AGREEMENT FOR ACCEPTABLE USE AND
CONFIDENTIALITY OF
COUNTY'S INFORMATION TECHNOLOGY ASSETS,
COMPUTERS, NETWORKS, SYSTEMS AND DATA

As a Los Angeles County employee, contractor, vendor or other authorized user of County Information Technology (IT) assets including computers, networks, systems and data, I understand that I occupy a position of trust. I will use County IT assets for County management approved business purposes only and maintain the confidentiality of County's business and Citizen's private data.   As a user of County's IT assets, I agree to the following:

1. Computer crimes: I am aware of California Penal Code 502(c) - Comprehensive Computer Data Access and Fraud Act (attached). I will immediately report any suspected computer misuse or crimes to my Management.

2. Security access controls: I will not subvert or bypass any security measure or system which has been implemented to control or restrict access to computers, networks, systems or data. I will not share my computer identification codes (log-in ID, computer access codes, account codes, ID's, etc.) or passwords.

3. Approved business purposes: I will use the County's Information Technology (IT) assets including computers, networks, systems and data for County management approved business purposes only.

4. Confidentiality: I will not access or disclose any County program code, data, information or documentation to any individual or organization unless specifically authorized to do so by the recognized information owner.

5. Computer virus and malicious code: I will not intentionally introduce any computer virus, worms or malicious code into any County computer, network, system or data.   I will not disable or delete computer virus detection and eradication software on County computers, servers and other computing devices I am responsible for.

6. Offensive materials: I will not access or send any offensive materials, e.g., sexually explicit, racial, harmful or insensitive text or images, over County owned, leased or managed local or wide area networks, including the public Internet and other electronic mail systems, unless it is in the performance of my assigned job duties, e.g., law enforcement. I will report to my supervisor any offensive materials observed by me or sent to me on County systems.

7. Public Internet: I understand that the Public Internet is uncensored and contains many sites that may be considered offensive in both text and images. I will use County Internet services for approved County business purposes only, e.g., as a research tool or for electronic communication. I understand that the County's Internet services may be filtered but in my use of them I may be exposed to offensive materials. I agree to hold the County harmless should I be inadvertently exposed to such offensive materials. I understand that my Internet activities may be logged, are a public record, and are subject to audit and review by authorized individuals.

8. Electronic mail and other electronic data: I understand that County electronic mail (e-mail), and data, in either electronic or other forms, are a public record and subject to audit and review by authorized individuals. I will comply with County e-mail use policy and use proper business etiquette when communicating over e-mail systems.

9. Copyrighted materials: I will not copy any licensed software or documentation except as permitted by the license agreement.

10. Disciplinary action for non-compliance: I understand that my non-compliance with any portion of this Agreement may result in disciplinary action including my suspension, discharge, denial of service, cancellation of contracts or both civil and criminal penalties.

CALIFORNIA PENAL CODE 502(c) -
"COMPREHENSIVE COMPUTER DATA ACCESS AND FRAUD ACT"

Below is a section of the "Comprehensive Computer Data Access and Fraud Act" as it pertains specifically to this Agreement. California Penal Code 502(c) is incorporated in its entirety into this Agreement by reference and all provisions of Penal Code 502(c) apply. For a complete copy, consult the Code directly at website www.leginfo.ca.gov/.

502.(c) Any person who commits any of the following acts is guilty of a public offense:

(1) Knowingly accesses and without permission alters, damages, deletes, destroys, or otherwise uses any data, computer, computer system, or computer network in order to either (A) devise or execute any scheme or artifice to defraud, deceive, or extort, or (B) wrongly control or obtain money, property, or data.

(2) Knowingly accesses and without permission takes, copies or makes use of any data from a computer, computer system, or computer network, or takes or copies supporting documentation, whether existing or residing internal or external to a computer, computer system, or computer network.

(3) Knowingly and without permission uses or causes to be used computer services.

(4) Knowingly accesses and without permission adds, alters, damages, deletes, or destroys any data, computer software, or computer programs which reside or exist internal or external to a computer, computer system, or computer network.

(5) Knowingly and without permission disrupts or causes the disruption of computer services or denies or causes the denial of computer services to an authorized user of a computer, computer system, or computer network.

(6) Knowingly and without permission provides or assists in providing a means of accessing a computer, computer system, or computer network is in violation of this section.

(7) Knowingly and without permission accesses or causes to be accessed any computer, computer system, or computer network.

(8) Knowingly introduces any computer contaminant into any computer, computer system, or computer network.

I HAVE READ AND UNDERSTAND THE ABOVE AGREEMENT:

AGW
LEGAL

DEC 0 1 2009

_____
Victoria P. Clayton
Senior Manager
Contracts Administration
SAS Institute Inc.

§.sas.

_____
Employee's Signature

_____
Date

_____
Manager's Name

_____
Manager's Signature

_____
Date

EXHIBIT E

CONFIDENTIALITY AND ASSIGNMENT AGREEMENT

[NOTICE TO RFP PROPOSERS: Exhibit E to the resultant Agreement shall be updated to reflect the selected proposal prior to the negotiation of the Agreement.]

CONTRACTOR ___ SAS Institute Inc. _____

1.   GENERAL INFORMATION

The organization identified above ("Contractor") is under contract ("Contract") to provide Work (as such term is defined in the Contract) to the County of Los Angeles ("County"). County requires each employee, agent, consultant, outsourced vendor and independent contractor (in this Exhibit E "staff") of this Contractor performing Work under such Contract to understand his/her obligations with respect to the personal, proprietary and other confidential material, data or information, with which he/she will be in contact. Contractor, by executing this Confidentiality and Assignment Agreement ("Agreement"), represents that it shall ensure each such staff member's compliance with the obligations regarding such data and information, as set forth in the Contract, including this Exhibit E.

2.   CONTRACTOR ACKNOWLEDGMENT

Contractor understands and agrees that all Contractor's, or any subcontractor's, staff that will provide Work pursuant to the above-referenced Contract are Contractor's, or any subcontractor's, sole responsibility. Contractor understands and agrees that its, or any subcontractor's, staff must rely exclusively upon Contractor, or any subcontractor, for payment of salary and any and all other benefits payable by virtue of such staff's performance of Work under the above-referenced Contract.

Contractor understands and agrees that its, or any subcontractor's, employees are not employees of County for any purpose whatsoever and that such staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of Work under the above-referenced Contract. Contractor understands and agrees that its, or any subcontractor's, staff do not have and will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

3.   CONFIDENTIALITY

Contractor, any subcontractor, and their staff, by virtue of performing Work under the above-referenced Contract, may come in contact with (i) Confidential Information (as such term is defined in the Base Agreement to the Contract), (ii) data and information, which County has an obligation to keep confidential by applicable law or otherwise, and (iii) proprietary information belonging to other organizations doing business with County Contractor, any of its subcontractors (collectively for the purpose of this Exhibit E "Confidential Information"). By signing this Agreement, Contractor agrees that, by

virtue of involvement in the Work under the Contract, it, any subcontractor, and their staff shall protect the confidentiality of all such Confidential Information pursuant to the terms of Paragraph 21 (Confidentiality and Security) of the Base Agreement and as specified below.

Contractor agrees, on behalf of itself, its subcontractors and all staff, (i) to protect from loss and hold in confidence any and all Confidential Information; (ii) not to directly or indirectly reveal, report, publish, transfer, reproduce to, or for the benefit of, any unauthorized person or otherwise disclose any Confidential Information obtained while performing Work under the above-referenced Contract; and (iii) to utilize the Confidential Information solely for the limited purpose of providing Work pursuant to the Contract. Contractor's, or any subcontractor's, staff shall forward all requests for disclosure or copying of any such information in their possession or care to County's Project Manager under the Contract.

Contractor agrees to report to County's Project Manager under the Contract any and all violations of this Agreement, including unauthorized disclosures or copying of Confidential Information, whether accidental or intentional, and whether by Contractor's, or any subcontractor's, staff and/or by any other person, of which such staff become aware. Contractor agrees and shall ensure that its, or any subcontractor's, staff return possession of all Confidential Information to County's Project Manager under the Contract upon completion of the above-referenced Contract, or termination of employment with the Contractor, or any subcontractor, whichever occurs first.

4. ASSIGNMENT OF PROPRIETARY RIGHTS

As used in this Agreement, "Products" means any inventions, trade secrets, ideas, original works of authorship or Confidential Information conceived, developed, discovered or made in whole or in part during performance of Work relating to the Contract by any employee, agent, consultant, outsourced vendor or independent contractor of Contractor, including County Materials (as such term is defined in the Base Agreement to the Contract). All Products, while produced, shall belong exclusively to Contractor whether or not fixed in a tangible medium of expression. Without limiting the foregoing, to the maximum extent permitted under applicable law, all Products shall be deemed to be "works made for hire" under the United States Copyright Act, and Contractor shall be deemed to be the author thereof.

If and to the extent any Products are determined not to constitute "works made for hire", or if any rights in the Products do not accrue to Contractor as a work made for hire, Contractor agrees to ensure that all right, title and interest in such Products, including but not limited to all copyrights, patents, trade secret rights and other proprietary rights in or relating to the Products, are irrevocably assigned and transferred to Contractor to the maximum extent permitted by law all. Without limiting the foregoing, Contractor agrees to ensure that (i) all economic rights to the Products, including the exclusive and unrestricted right to reproduce, manufacture, use, adapt, modify, publish, distribute, sublicense, publicly perform and communicate, translate, lease, import, export, transfer, convey, and otherwise exploit the Products, are assigned and transferred to Contractor; (ii) Contractor is entitled to any and all modifications, uses, publications and other exploitation of the Products without consequences; and (iii) Contractor obtains United

States or foreign letters patent, copyright registrations and other proprietary rights covering inventions and original works of authorship in the Products.

Contractor agrees to execute all necessary documents and to perform all other acts in order to assign all of Contractor's right, title and interest in the Products in accordance with Paragraph 16.2 (Transfer to County) of the Base Agreement to the Contract.

SIGNED _____ DATE **DEC 0 1 2009**

S.sas. Victoria P. Clayton
Senior Manager
Contracts Administration
SAS Institute Inc.

PRINTED _____ TITLE _____

EXHIBIT F — Contractor's Equal Employment Opportunity (EEO) Certification

SAS Institute Inc.
Company Name

100 SAS Campus Drive, Cary, NC 27513
Address

56-1133017
Internal Revenue Service Employer Identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

	CERTIFICATION	YES	NO
1.	Proposer has written policy statement prohibiting discrimination in all phases of employment.	(X)	( )
2.	Proposer periodically conducts a self-analysis or utilization analysis of its work force.	(X)	( )
3.	Proposer has a system for determining if its employment practices are discriminatory against protected groups.	(X)	( )
4.	When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	( )

Signature   11/20/09
                                             Date

Lisa Koskinen, Mgr, EEO Compliance
Name and Title of Signer (please print)

EEO CERTIFICATION

ADMINISTRATION OF AGREEMENT

I. COUNTY KEY PERSONNEL

A. COUNTY'S PROJECT DIRECTOR

Name: Hayward Gee

Title: ITM-ES

Address: County of Los Angeles, Department of Public Social Services

Eligibility System Division (ESD)

9320 Telstar Avenue, Suite 132

El Monte, CA 91731

Telephone: (626) 312-6001

Fax Number: (626) 927-9650

E-Mail Address: **HaywardGee@dpss.lacounty.gov**

B. COUNTY'S PROJECT MANAGER

Name: Wilford Chin

Title: ISS III

Address: County of Los Angeles, Department of Public Social Services

Information and Statistical Services (ISS) Section

12820 Crossroads Parkway South-West Annex

City of Industry, CA 91746

Telephone: (562) 908-5820

Fax Number: (626) 692-3949

E-Mail Address: **WilfordChin@dpss.lacounty.gov**

C. COUNTY'S TECHNICAL DIRECTOR

Name: Halil Toros

Title: Program Specialist IV

Address: Chief Executive Office
Service Integration Branch
Research and Evaluation Services
222 South Hill Street, 5th Floor
Los Angeles, CA 90012

Telephone: (213) 974-5162

Facsimile: (213) 620-7131

E-Mail Address: **htoros@ceo.lacounty.gov**

D. COUNTY'S PROJECT ADMINISTRATOR

Name: Lyric Nash

Title: HSA I

Address: County of Los Angeles, Department of Public Social Services

Information and Statistical Services (ISS) Section

12820 Crossroads Parkway South-West Annex

City of Industry, CA 91746

Telephone: (562) 908-5872

Fax Number: (626) 692-3949

E-Mail Address: **LyricNash@dpss.lacounty.gov**

II. CONTRACTOR KEY PERSONNEL

A. CONTRACTOR'S PROJECT DIRECTOR

Name: John Brocklebank

Title: Vice President, SAS Solution On Demand

Address: U0130 SAS Campus Drive

                 Cary, NC 27513

Telephone: 919-531-7360

Facsimile: (919) 677-4444

E-Mail Address: **John.Brocklebank@sas.com**

B. CONTRACTOR'S PROJECT MANAGER

Name: Jim Georges

Title: Analytic Engineer/Project Manager and Team Lead

Address: Jamboree Ctr
                 5 Park Plaza Ste 900
                 Room 913
                 Irvine, CA 92614

Telephone: 949-852-5265 x51349

Facsimile: (949) 852-5277

E-Mail Address: **Jim.Georges@sas.com**

C. CONTRACTOR'S OFFICE

Address: Jamboree Ctr
                 5 Park Plaza Ste 900
                 Irvine, CA 92614

EXHIBIT H
SAFELY SURRENDERED BABY LAW

Posters and Fact Sheets are available in English and Spanish for printing purposes at the
following website:

www.babysafela.org

Safely Surrendered

No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

EXHIBIT H
SAFELY SURRENDERED BABY LAW

Safely Surrendered
Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the **Safely Surrendered Baby Law** is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The **Safely Surrendered Baby Law** prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

EXHIBIT H
SAFELY SURRENDER BABY LAW

Ley de Entrega de Bebés
Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan *si tienen custodia legal.*

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la **Ley de Entrega de Bebés sin Peligro** es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La **Ley de Entrega de Bebés sin Peligro** impide que vuelva a suceder esta tragedia en California.

Historia de *un bebé*

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.

EXHIBIT I – CHARITABLE CONTRIBUTIONS CERTIFICATION

EXHIBIT I — Charitable Contributions Certification

___SAS Institute Inc.___
Company Name

___100 SAS Campus Drive, Cary, NC 27513___
Address

___56-1133017___
Internal Revenue Service Employer Identification Number

_____
California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

Check the Certification below that is applicable to your company.

☒   Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

OR

☐   Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

_____   ___11/23/09___

Signature   Date

§.sas Victoria P. Clayton
Senior Manager
Contracts Administration
SAS Institute Inc.

Name and Title of Signer (please print)

EXHIBIT J — County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application for Exception

The County's solicitation for this Request for Proposals is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program), Los Angeles County Code, Chapter 2.203. <u>All Proposers, whether a contractor or subcontractor, must complete this form to either certify compliance or request an exception from the Program requirements.</u> Upon review of the submitted form, the County department will determine, in its sole discretion, whether the Proposer is excepted from the Program.

Company Name: SAS Institute Inc.			
Company Address: SAS Campus Drive.			
City: Cary	State: NC		Zip Code: 27513
Telephone Number: 919-67708000			
Solicitation For _____ Services:			

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program is Not Applicable to My Business

❑   My business does not meet the definition of "contractor," as defined in the Program, as it has not received an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract itself will exceed $50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of $50,000 in any 12-month period.

❑   My business is a small business as defined in the Program. It 1) has ten or fewer employees; <u>and</u>, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are $500,000 or less; <u>and</u>, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exception will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"**Dominant in its field of operation**" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed $500,000.

"**Affiliate or subsidiary of a business dominant in its field of operation**" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

❑   My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

<div align="center">OR</div>

Part II: Certification of Compliance

☒   My business <u>has</u> and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, **or** my company <u>will have</u> and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name: *Lisa Kashure*	Title: *Mgr. EEO Compliance*
Signature: *Lisa Kashure*	Date: *11/20/09*

EXHIBIT K
Title 2 ADMINISTRATION
DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY
AND CONTRACTOR DEBARMENT ORDINANCE

2.202.010 Findings and declarations.

A. The board of supervisors finds that, in order to promote integrity in the county's contracting processes and to protect the public interest, the county's policy shall be to conduct business only with responsible contractors. The board of supervisors further finds that debarment is to be imposed only in the public interest for the county's protection and not for the purpose of punishment.

B. Determinations of contractor non-responsibility and contractor debarment shall be made in accordance with the procedures set forth in the ordinance codified in this chapter and implementation instructions issued by the auditor-controller. (Ord. 2005-0066 § 1, 2005: Ord. 2000-0011 § 1 (part), 2000.)

2.202.020 Definitions.

For purposes of this chapter, the following definitions apply:

A. "Contractor" means a person, partnership, corporation, or other entity who has contracted with, or is seeking to contract with, the county or a nonprofit corporation created by the county to provide goods to, or perform services for or on behalf of, the county or a nonprofit corporation created by the county. A contractor includes a contractor, subcontractor, vendor, or any person or entity who or which owns an interest of 10 percent or more in a contractor, subcontractor, or vendor.

B. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county or a nonprofit corporation created by the county.

C. "Debarment" means an action taken by the county which results in a contractor being prohibited from bidding or proposing on, being awarded and/or performing work on a contract with the county. A contractor who has been determined by the county to be subject to such a prohibition is "debarred."

D. "Department head" means either the head of a department responsible for administering a particular contract for the county or the designee of same.

E. "County" means the county of Los Angeles, any public entities for which the board of supervisors is the governing body, and any joint powers authorities of which the county is a member that have adopted county contracting procedures.

F. "Contractor hearing board" means the persons designated to preside over contractor debarment hearings and make recommendations on debarment to the board of supervisors.

G. Determination of "non-responsibility" means an action taken by the county which results in a contractor who submitted a bid or proposal on a particular contract being prohibited from being awarded and/or performing work on that contract. A contractor who has been determined by the

county to be subject to such a prohibition is "non-responsible" for purposes of that particular contract.

H. "Bid or proposal" means a bid, proposal, or any other response to a solicitation submitted by or on behalf of a contractor seeking an award of a contract. (Ord. 2005-0066 § 2, 2005: Ord. 2004-0009 § 1, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.030 Determination of contractor non-responsibility.

A. Prior to a contract being awarded by the county, the county may determine that a contractor submitting a bid or proposal is non-responsible for purposes of that contract. In the event that the county determines that a contractor is non-responsible for a particular contract, said contractor shall be prohibited from being awarded and/or performing work on that contract.

B. The county may declare a contractor to be non-responsible for purposes of a particular contract if the county, in its discretion, finds that the contractor has done any of the following: (1) violated a term of a contract with the county or a nonprofit corporation created by the county; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the county, any other public entity, or a nonprofit corporation created by the county, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.

C. The decision by the county to find a contractor non-responsible for a particular contract is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection 2.202.040 (E) below, may be considered by the county in determining whether a contractor should be deemed non-responsible.

D. Before making a determination of non-responsibility pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed non-responsibility determination, and shall advise the contractor that a non-responsibility hearing will be scheduled on a date certain. Thereafter, the department head shall conduct a hearing where evidence on the proposed non-responsibility determination is presented. The contractor and/or attorney or other authorized representative of the contractor shall be afforded an opportunity to appear at the non-responsibility hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence. After such hearing, the department head shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be found non-responsible with respect to the contract(s) at issue. A record of the hearing, the proposed decision, and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the department head. A non-responsibility finding shall become final upon approval by the board of supervisors. (Ord. 2005-0066 § 3, 2005: Ord. 2004-0009 § 2, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.040 Debarment of contractors.

A. The county may debar a contractor who has had a contract with the county in the preceding three years and/or a contractor who has submitted a bid or proposal for a new contract with the county.

EXHIBIT K
Title 2 ADMINISTRATION
DETERMINATIONS OF CONTRACTOR NON-RESPONSIBILITY
AND CONTRACTOR DEBARMENT ORDINANCE

B. The county may debar a contractor if the county finds, in its discretion, that the contractor has done any of the following: (1) violated a term of a contract with the county or a nonprofit corporation created by the county; (2) committed an act or omission which negatively reflects on the contractor's quality, fitness, or capacity to perform a contract with the county, any other public entity, or a nonprofit corporation created by the county, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the county or any other public entity.

C. The decision by the county to debar a contractor is within the discretion of the county. The seriousness and extent of the contractor's acts, omissions, patterns, or practices as well as any relevant mitigating or aggravating factors, including those described in Subsection (E) below, may be considered by the county in determining whether to debar a contractor and the period of debarment. Generally, the period of debarment should not exceed five years. However, if circumstances warrant, the county may impose a longer period of debarment up to and including permanent debarment.

D. To impose a debarment period of longer than five years, and up to and including permanent debarment, in addition to the grounds described in Subsection (B) above, the county shall further find that the contractor's acts or omissions are of such an extremely serious nature that removal of the contractor from future county contracting opportunities for the specified period is necessary to protect the county's interests.

E. Mitigating and aggravating factors that the county may consider in determining whether to debar a contractor and the period of debarment include but are not limited to:

(1) The actual or potential harm or impact that results or may result from the wrongdoing.
(2) The frequency and/or number of incidents and/or duration of the wrongdoing.
(3) Whether there is a pattern or prior history of wrongdoing.
(4) A contractor's overall performance record. For example, the county may evaluate the contractor's activity cited as the basis for the debarment in the broader context of the contractor's overall performance history.
(5) Whether a contractor is or has been debarred, found non-responsible, or disqualified by another public entity on a basis of conduct similar to one or more of the grounds for debarment specified in this Section.
(6) Whether a contractor's wrongdoing was intentional or inadvertent. For example, the county may consider whether and to what extent a contractor planned, initiated, or carried out the wrongdoing.
(7) Whether a contractor has accepted responsibility for the wrongdoing and recognizes the seriousness of the misconduct that led to the grounds for debarment and/or has taken corrective action to cure the wrongdoing, such as establishing ethics training and implementing programs to prevent recurrence.
(8) Whether and to what extent a contractor has paid or agreed to pay criminal, civil, and administrative liabilities for the improper activity, and to what extent, if any, has the contractor made or agreed to make restitution.
(9) Whether a contractor has cooperated fully with the county during the investigation, and any court or administrative action. In determining the extent of cooperation, the county may consider when the cooperation began and whether the contractor disclosed all pertinent information known to the contractor.

(10) Whether the wrongdoing was pervasive within a contractor's organization.

(11) The positions held by the individuals involved in the wrongdoing.

(12) Whether a contractor's principals participated in, knew of, or tolerated the offense.

(13) Whether a contractor brought the activity cited as a basis for the debarment to the attention of the county in a timely manner.

(14) Whether a contractor has fully investigated the circumstances surrounding the cause for debarment and, if so, made the result of the investigation available to the county.

(15) Whether a contractor had effective standards of conduct and internal control systems in place at the time the questioned conduct occurred.

(16) Whether a contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes the cause for debarment.

(17) Other factors that are appropriate to the circumstances of a particular case.

F. Before making a debarment determination pursuant to this chapter, the department head shall give written notice to the contractor of the basis for the proposed debarment, and shall advise the contractor that a debarment hearing will be scheduled on a date certain. The contractor hearing board shall conduct a hearing where evidence on the proposed debarment is presented. The contractor and/or attorney or other authorized representative must be given an opportunity to appear at the debarment hearing and to submit documentary evidence, present witnesses, and offer rebuttal evidence at that hearing. After such hearing, the contractor hearing board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred and, if so, the appropriate length of time for the debarment. A record of the hearing, the proposed decision, and any recommendation shall be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A debarment finding shall become final upon the approval of the board of supervisors.

G. In making a debarment determination, the board of supervisors may also, in its discretion and consistent with the terms of any existing contracts that the contractor may have with the county, terminate any or all such existing contracts. In the event that any existing contract is terminated by the board of supervisors, the county shall maintain the right to pursue all other rights and remedies provided by the contract and/or applicable law.

H. With respect to a contractor who has been debarred for a period longer than five years, the contractor may, after the debarment has been in effect for at least five years, request that the county review the debarment determination to reduce the period of debarment or terminate the debarment. The county may consider a contractor's request to review a debarment determination based upon the following circumstances: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the county. A request for review shall be in writing, supported by documentary evidence, and submitted to the chair of the contractor hearing board. The chair of the contractor hearing board may either: 1) determine that the written request is insufficient on its face and deny the contractor's request for review; or (2) schedule the matter for consideration by the contractor hearing board which shall hold a hearing to consider the contractor's request for review, and, after the hearing, prepare a proposed decision and a recommendation to be presented to the board of supervisors. The board of supervisors may, in its discretion, limit any further hearing to the

presentation of evidence not previously presented. The board of supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the contractor hearing board. A reduction of the period of the debarment or termination of the debarment shall become final upon the approval of the board of supervisors. (Ord. 2005-0066 § 4, 2005: Ord. 2004-0009 § 3, 2004: Ord. 2000-0011 § 1 (part), 2000.)

2.202.050 Pre-emption.

In the event any contract is subject to federal and/or state laws that are inconsistent with the terms of the ordinance codified in this chapter, such laws shall control. (Ord. 2000-0011 § 1 (part), 2000.)

2.202.060 Severability.

If any section, subsection, subpart or provision of this chapter, or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of this chapter and the application of such to other persons or circumstances shall not be affected thereby. (Ord. 2000-0011 § 1 (part), 2000.)

EXHIBIT L

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

List of Debarred Contractors in Los Angeles County may be obtained by going to the following website:

http://lacounty.info/doing_business/DebarmentList.htm

EXHIBIT M

IRS NOTICE 1015
(Obtain latest version from IRS website)
http://www.irs.gov/pub/irs-pdf/n1015.pdf

Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2007)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What Is the EIC?
The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?
You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2007 are less than $39,783 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?
You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.

- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.

- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).

- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2008.

You must hand the notice directly to the employee or send it by First-Class Mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from the IRS website at *www.irs.gov* or by calling 1-800-829-3676.

How Will My Employees Know If They Can Claim the EIC?

The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see the 2007 instructions for Form 1040, 1040A, 1040EZ, or Pub. 596, Earned Income Credit (EIC).

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2007 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2007 and owes no tax but is eligible for a credit of $825, he or she must file a 2007 tax return to get the $825 refund.

How Do My Employees Get Advance EIC Payments?

Eligible employees who expect to have a qualifying child for 2008 can get part of the credit with their pay during the year by giving you a completed Form W-5, Earned Income Credit Advance Payment Certificate. You must include advance EIC payments with wages paid to these employees, but the payments are not wages and are not subject to payroll taxes. Generally, the payments are made from withheld income, social security, and Medicare taxes. For details, see Pub. 15 (Circular E), Employer's Tax Guide.

Notice 1015 (Rev. 12-2007)
Cat. No. 205991

EXHIBIT N

Chapter 2.206 DEFAULTED PROPERTY TAX REDUCTION PROGRAM

2.206.010 Findings and declarations.
The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.
The following definitions shall be applicable to this chapter:
A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.
This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.
All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:
A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.
A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County

EXHIBIT N

Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.
A. This chapter shall not apply to the following contracts:
1. Chief Executive Office delegated authority agreements under $50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
6. Purchase orders issued by Internal Services Department under $100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.
A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.
If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

EXHIBIT N - PROPOSER/BIDDER/CONTRACTOR
CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

The Proposer/Bidder/Contractor (as indicated below) certifies that:

(1)   It is familiar with the terms of the County of Los Angeles Defaulted Property Tax Reduction Program, Los Angeles County Code Chapter 2.206;

(2)   To the best of its knowledge, after a reasonable inquiry, the Proposer/Bidder/Contractor is not in default, as that term is defined in Los Angeles County Code Section 2.206.020.E, on any Los Angeles County property tax obligation; and

(2)   The Proposer/Bidder/Contractor agrees to comply with the County's Defaulted Property Tax Reduction Program during the term of any awarded contract.

OR

☐   I am exempt from the County of Los Angeles Defaulted Property Tax Reduction Program, pursuant to Los Angeles County Code Section 2.206.060, for the following reason(s):

_____

_____

_____

Please select the appropriate box:
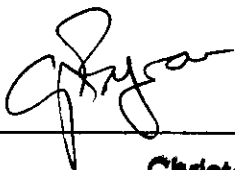
☑ Proposer or Bidder

☑ Contractor

Authorized Signature: _____

Printed Name: _____ Christopher P. Byron
                                       Vice President, Tax

Company Name & DBA: _____ SAS Institute Inc.
                                     SAS Campus Drive
                                     Cary, NC 27513

_____

Date: ___11/19/09___

EXHIBIT O

SOURCE CODE ESCROW AGREEMENT

[]

PREFERRED BENEFICIARY ACCEPTANCE FORM
FOR
MASTER PREFERRED ESCROW AGREEMENT

Depositor Company Number: 9398

SAS Institute Inc. ("Depositor"), Preferred Beneficiary and Iron Mountain Intellectual Property Management, Inc. ('IMIPM"), formerly known as DSI Technology Escrow Services, Inc. ("DSI"), hereby acknowledge that County of Los Angeles, California, under the Agreement between Depositor and County of Los Angeles, California concerning a Data Mining Solution dated December ___, 2009 ("License Agreement"), is a Preferred Beneficiary as referred to in the Master Preferred Escrow Agreement effective April 15, 2004, as modified by Amendment to Escrow Service Agreements by and between IMIPM and Depositor and any other party agreeing to the terms of the Agreements (the "Amendment") last dated March 12, 2009 (collectively the "Agreement"), with IMIPM as the escrow agent and SAS Institute Inc. as the Depositor. The terms of the Agreement shall apply only to the SAS software and work product to be deposited pursuant to the License Agreement. Preferred Beneficiary hereby agrees to be bound by all provisions of the Agreement as modified below.

1. Paragraph A of the Agreement is hereby deleted and replaced with the following:

    A. Depositor and Preferred Beneficiary have entered into or will enter into a license agreement, development agreement, and/or other agreement regarding certain proprietary technology of Depositor (referred to in this Agreement as the "License Agreement").

2. NOTICES AND COMMUNICATIONS TO PREFERRED BENEFICIARY SHOULD BE ADDRESSED TO:

Company Name	County of Los Angeles
Print Name (or Dept if preferred)	Hayward Gee
Title	ITM-ES
Street Address	9320 Telstar Avenue, Suite 132
Province/City/State	El Monte, CA
Postal/Zip Code	91731
Phone Number	(626) 312-6001
Fax Number	(626) 927-9650

3. PAYING PARTY COMPANY NAME: SAS Institute Inc.

    Invoicing Information:

Print Name	Attention: Bonnie Keith
Title	Senior Contracts Negotiator
Email Address	Bonnie.keith@SAS.com
Street Address	SAS Campus Drive
Province/City/State	Cary, NC
Postal/Zip Code	27513
Fax Number	(919) 531-7206
Purchase Order #	

4. This Acceptance Form supplements and to the extent applicable replaces Exhibits A through E of the Master Preferred Escrow Agreement as between Depositor and Preferred Beneficiary. Depositor will send to Preferred Beneficiary a copy of the completed initial Exhibit A, Description of Deposit Materials, promptly when such Exhibit is completed. Upon execution of this Acceptance Form and the License Agreement, Depositor hereby enrolls Preferred Beneficiary to the following deposit accounts for the proprietary technology of Depositor applicable under the License Agreement between Depositor and Preferred Beneficiary:

    (To be completed by Depositor)
    Account Name/Account Number: _____

Preferred Beneficiary Acceptance Form
For Master Preferred Agreement

The individuals signing below represent they have authority to bind the named parties to this Agreement.

Accepted By:

County of Los Angeles   **SAS Institute Inc.**
Preferred Beneficiary   **Depositor**

By: _____   By: _____
Name: _____   Name: _____
Title: _____   Title: _____
Date: _____   Date: _____

Iron Mountain Intellectual Property   **(SAS Subsidiary (if license is outside US))**
Management, Inc.   **[SAS Subsidiary Name, if applicable]**

By: _____   By: _____
Name: _____   Name: _____
Title: _____   Title: _____
Date: _____   Date: _____

MASTER PREFERRED ESCROW AGREEMENT

Beneficiary Company Number _____

This agreement ("Agreement") is effective April 15, 2004 among DSI Technology Escrow Services, Inc. ("DSI"), SAS Institute Inc. ("Depositor") and any additional party signing the Acceptance Form attached to this Agreement ("Preferred Beneficiary"), who collectively may be referred to in this Agreement as the parties ("Parties").

A. Depositor and Preferred Beneficiary have entered or will enter into a license agreement, development agreement, and/or other agreement regarding certain proprietary technology of Depositor (referred to in this Agreement as the "License Agreement").

B. Depositor desires to avoid disclosure of its proprietary technology except under certain limited circumstances.

C. The availability of the proprietary technology of Depositor is critical to Preferred Beneficiary in the conduct of its business and, therefore, Preferred Beneficiary needs access to the proprietary technology under certain limited circumstances.

D. Depositor and Preferred Beneficiary desire to establish an escrow with DSI to provide for the retention, administration and controlled access of the proprietary technology materials of Depositor.

E. The parties desire this Agreement to be supplementary to the License Agreement pursuant to 11 United States [Bankruptcy] Code, Section 365(n).

ARTICLE 1 -- DEPOSITS

1.1 Obligation to Make Deposit. Upon the signing of this Agreement by the parties, including the signing of the Acceptance Form, Depositor shall deliver to DSI the proprietary technology and other materials ("Deposit Materials") required to be deposited by the License Agreement.

1.2 Identification of Tangible Media. Prior to the delivery of the Deposit Materials to DSI, Depositor shall conspicuously label for identification each document, magnetic tape, disk, or other media upon which the Deposit Materials are written or stored. Additionally, Depositor shall complete Exhibit A to this Agreement by listing each such media by the item label description, the type of media and the quantity. Exhibit A shall be signed by Depositor and delivered to DSI with the Deposit Materials. Unless and until Depositor makes the initial deposit with DSI, DSI shall have no obligation with respect to this Agreement, except the obligation to notify the parties regarding the status of the account as required in Section 2.2 below.

1.3 Acceptance of Deposit. When DSI receives the Deposit Materials and Exhibit A, DSI will conduct a visual deposit inspection. At completion of the deposit inspection, if DSI determines that the labeling of the media matches the item descriptions and quantity on Exhibit A, DSI will date and sign Exhibit A and mail a copy thereof to Depositor and Preferred Beneficiary. If DSI

_____

determines that the labeling does not match the item descriptions or quantity on Exhibit A, DSI will (a) note the discrepancies in writing on Exhibit A; (b) date and sign Exhibit A with the exceptions noted; and (c) mail a copy of Exhibit A to Depositor and Preferred Beneficiary. DSI's acceptance of the deposit occurs upon the signing of Exhibit A by DSI. Delivery of the signed Exhibit A to Preferred Beneficiary is Preferred Beneficiary's notice that the Deposit Materials have been received and accepted by DSI. OTHER THAN DSI'S INSPECTION OF THE DEPOSIT MATERIALS, AS DESCRIBED ABOVE, DSI SHALL HAVE NO OBLIGATION REGARDING THE ACCURACY, COMPLETENESS, FUNCTIONALITY, PERFORMANCE OR NON-PERFORMANCE OF THE DEPOSIT MATERIALS.

1.4   Depositor's Representations. During the term of this Agreement, Depositor represents as follows:

    a.   Depositor lawfully possesses all of the Deposit Materials deposited with DSI;

    b.   With respect to all of the Deposit Materials, Depositor has the right and authority to grant to DSI and Preferred Beneficiary the rights as provided in this Agreement, provided further that DSI's or its independent contractor's use of any Deposit Materials, pursuant to this Agreement, is lawful and does not violate the rights of any third parties;

    c.   As of the effective date of this Agreement, the Deposit Materials are not the subject of any liens or encumbrances, however, any liens or encumbrances made after the execution of this Agreement will not prohibit, limit, or alter the rights and obligations of DSI under this Agreement;

    d.   The Deposit Materials consist of the proprietary technology and other materials identified either in the License Agreement or Exhibit A, as the case may be; and

    e.   The Deposit Materials are readable and useable in their current form or, if any portion of the Deposit Materials is encrypted, the decryption tools and decryption keys have also been deposited.

1.5   Deposit Updates. Unless otherwise provided by the License Agreement, Depositor shall update the Deposit Materials within sixty (60) days of general availability of a new version of the product, which is subject to the License Agreement. Such updates will be added to the existing deposit. All deposit updates shall be listed on a new Exhibit A and Depositor shall sign the new Exhibit A. Each Exhibit A will be held and maintained separately within the escrow account. An independent record will be created which will document the activity for each Exhibit A. Any deposit updates shall be held in accordance with Sections 1.2 through 1.4 above. All references in this Agreement to the Deposit Materials shall include the initial Deposit Materials and any updates.

1.6   Removal of Deposit Materials. The Deposit Materials may be removed and/or exchanged only on written instructions signed by Depositor and Preferred Beneficiary, or as otherwise provided in this Agreement.

1.7   Escrow Account Name Identification. At the time of execution of this agreement, or when Depositor makes the initial deposit with DSI in accordance with Section 1.2 above, Depositor

shall complete and sign Exhibit D naming the initial account upon which the Deposit Materials are written or stored. Any new deposits referencing new account names made subsequent to the signing of this Agreement, intended by the Depositor to be held in a separate account and maintained separately from the initial account, but made a part of this Agreement, shall be referenced by the Depositor on Exhibit E, and Exhibit E which shall be signed by the Depositor and DSI.

ARTICLE 2 -- CONFIDENTIALITY AND RECORD KEEPING

2.1   Confidentiality. DSI shall have the obligation to reasonably protect the confidentiality of the Deposit Materials. Except as provided in this Agreement or any subsequent agreement between the Parties, DSI shall not disclose, transfer, make available, or use the Deposit Materials. DSI shall not disclose the terms of this Agreement to any third party. If DSI receives a subpoena or any other order from a court or other judicial tribunal pertaining to the disclosure or release of the Deposit Materials, DSI will immediately notify the parties to this Agreement unless prohibited by law. It shall be the responsibility of Depositor and/or Preferred Beneficiary to challenge any such order; provided, however, that DSI does not waive its rights to present its position with respect to any such order. DSI will not be required to disobey any order from a court or other judicial tribunal including, but not limited to, notices delivered pursuant to Section 7.6 below.

2.2   Status Reports.   DSI shall provide to Depositor and Preferred Beneficiary a report profiling the account history semiannually.

ARTICLE 3 -- RIGHT TO MAKE COPIES

3.1   Right to Make Copies. DSI shall have the right to make copies of the Deposit Materials as reasonably necessary to perform this Agreement. DSI shall copy all copyright, nondisclosure, and other proprietary notices and titles contained on the Deposit Materials onto any copies made by DSI. With all Deposit Materials submitted to DSI, Depositor shall provide any and all instructions as may be necessary to duplicate the Deposit Materials, including, but not limited to, the hardware and/or software needed. Any copying expenses incurred by DSI as a result of a request to copy will be borne by the party requesting the copies.

ARTICLE 4 -- RELEASE OF DEPOSIT

4.1   Release Conditions.   As used in this Agreement, "Release Condition" shall mean the following:

  a.   Depositor, its assigns or successors (for the purposes of this Section 4.1, collectively "Depositor"), has ceased, due to liquidation or dissolution, to market and support the software which is the subject of the License Agreement;

  b.   Depositor's failure to continue to do business in the ordinary course; or

  c.   Joint written instructions from Depositor and Preferred Beneficiary.

4.2   Filing For Release.   If Preferred Beneficiary believes in good faith that a Release Condition has occurred, Preferred Beneficiary may provide to DSI written notice of the

occurrence of the Release Condition and a request for the release of the Deposit Materials. Such notice shall be signed by the Preferred Beneficiary and on company letterhead. Unless DSI acknowledges or discovers independently, or through the Parties, its need for additional documentation or information in order to comply with this Section, DSI shall promptly provide a copy of the notice to Depositor by commercial express mail. Such need for additional documentation or information may extend the time period for DSI's performance under this Section.

4.3   Contrary Instructions. From the date DSI mails the notice requesting release of the Deposit Materials, Depositor shall have thirty (30) business days to deliver to DSI contrary instructions ("Contrary Instructions"). Contrary Instructions shall mean the written representation by Depositor that a Release Condition has not occurred or has been cured. Contrary Instructions shall be signed by Depositor and on company letterhead. Upon receipt of Contrary Instructions, DSI shall promptly send a copy to Preferred Beneficiary by commercial express mail. Additionally, DSI shall notify both Depositor and Preferred Beneficiary that there is a dispute to be resolved pursuant to Section 7.4 of this Agreement. Subject to Section 5.2 of this Agreement, DSI will continue to store the Deposit Materials without release pending (a) joint instructions from Depositor and Preferred Beneficiary; (b) dispute resolution pursuant to Section 7.4; or (c) an order from a court of competent jurisdiction.

4.4   Release of Deposit. If DSI does not receive Contrary Instructions from the Depositor, DSI is authorized to release the Deposit Materials to the Preferred Beneficiary or, if more than one beneficiary is registered to the deposit, to release a copy of the Deposit Materials to the Preferred Beneficiary. However, DSI is entitled to receive any fees due DSI before making the release. Any copying expense will be chargeable to Preferred Beneficiary. Upon any such release, the escrow arrangement will terminate as it relates to the Depositor and Preferred Beneficiary involved in the release.

4.5   Right to Use Following Release. Unless otherwise provided in the License Agreement, upon release of the Deposit Materials in accordance with this Article 4, Preferred Beneficiary shall have the right to use the Deposit Materials for the sole purpose of continuing the benefits afforded to Preferred Beneficiary by the License Agreement. Preferred Beneficiary shall be obligated to maintain the confidentiality of the released Deposit Materials.

ARTICLE 5 – TERM AND TERMINATION

5.1   Term of Agreement. The initial term of this Agreement is for a period of one (1) year. Thereafter, this Agreement shall automatically renew from year to year unless (a) Depositor notifies Preferred Beneficiary and DSI that the License Agreement has been terminated; (b) Depositor and Preferred Beneficiary jointly instruct DSI in writing that the Agreement is terminated; (c) DSI instructs Depositor and Preferred Beneficiary in writing after its renewal date that the Agreement is terminated for nonpayment in accordance with Section 5.2; or (d) DSI reserves the right to terminate this Agreement, for any reason, other than for nonpayment, by providing Depositor and Preferred Beneficiary sixty (60) days written notice of its intent to terminate this Agreement. the Acceptance Form has been signed at a date later than this Agreement, the initial term of the Acceptance Form will be for one year with subsequent terms to be adjusted to match the anniversary date of this Agreement. If the deposit materials are subject to another escrow agreement with DSI, DSI reserves the right, after the initial one year term, to

adjust the anniversary date of this Agreement to match the then prevailing anniversary date of such other escrow arrangements.

5.2   Termination for Nonpayment. In the event of the nonpayment of fees owed to DSI, DSI shall provide written notice of delinquency to all parties to this Agreement affected by such delinquency. Any such party shall have the right to make the payment to DSI to cure the default. If the past due payment is not received in full by DSI within one (1) month of the date of such notice, then at any time thereafter DSI shall have the right to terminate this Agreement at any time thereafter by sending written notice of termination to all parties. DSI shall have no obligation to take any action under this Agreement so long as any payment due to DSI remains unpaid.

5.3   Disposition of Deposit Materials Upon Termination. Subject to the foregoing termination provisions, and upon termination of this Agreement, DSI shall destroy, return, or otherwise deliver the Deposit Materials in accordance with Depositor's instructions. If there are no instructions, DSI may, at its sole discretion, destroy the Deposit Materials and give Depositor notice of such destruction or return them to Depositor. DSI shall have no obligation to destroy or return the Deposit Materials if the Deposit Materials are subject to another escrow agreement with DSI or have been released to the Preferred Beneficiary in accordance with Section 4.4.

5.4   Survival of Terms Following Termination. Upon termination of this Agreement, the following provisions of this Agreement shall survive:

   a.   The obligations of confidentiality with respect to the Deposit Materials;

   b.   The obligation to pay DSI any fees and expenses due;

   c.   The provisions of Article 7; and

   d.   Any provisions in this Agreement which specifically state they survive the termination of this Agreement.

ARTICLE 6 -- DSI'S FEES

6.1   Fee Schedule. DSI is entitled to be paid its standard fees and expenses applicable to the services provided. DSI shall notify the party responsible for payment of DSI's fees at least sixty (60) days prior to any increase in fees. For any service not listed on DSI's standard fee schedule, DSI will provide a quote prior to rendering the service, if requested.

6.2   Payment Terms. DSI shall not be required to perform any service, including release of any Deposit Materials under Article 4, unless the payment for such service and any outstanding balances owed to DSI are paid in full. Initial fees are due upon receipt of a signed contract or receipt of the Deposit Materials whichever is earliest. Payments on all renewal and services invoices are due net thirty (30) days from date of invoice. If invoiced fees are not paid, DSI may terminate this Agreement in accordance with Section 5.2.

ARTICLE 7 -- LIABILITY AND DISPUTES

7.1 **Right to Rely on Instructions.** DSI may act in reliance upon any instruction, instrument, or signature reasonably believed by DSI to be genuine. DSI may assume that any employee of a party to this Agreement who gives any written notice, request, or instruction has the authority to do so. DSI will not be required to inquire into the truth or evaluate the merit of any statement or representation contained in any notice or document. DSI shall not be responsible for failure to act as a result of causes beyond the reasonable control of DSI.

7.2 **Indemnification.** Depositor and Preferred Beneficiary each agree to indemnify, defend and hold harmless DSI from any and all claims, actions, damages, arbitration fees and expenses, costs, attorney's fees and other liabilities ("Liabilities") incurred by DSI relating in any way to this escrow arrangement except where it is adjudged that DSI acted with negligence or willful misconduct.

7.3 **Limitation of Liability.** In no event will DSI be liable for any incidental, indirect, special, exemplary, punitive or consequential damages, including, but not limited to, damages (including loss of data, revenue, and/or profits) costs or expenses (including legal fees and expenses), whether foreseeable or unforeseeable, that may arise out of or in connection with this Agreement; and in no event shall the collective liability of DSI exceed ten times the fees paid under this Agreement. The foregoing limitation of liability does not apply with respect to any acts of gross negligence, personal injury claims, property damage claims (excluding the Deposit), or intellectual property infringement.

7.4 **Dispute Resolution.** Any dispute relating to or arising from this Agreement shall be submitted to, and settled by arbitration by, a single arbitrator chosen by the Regional Office of the American Arbitration Association in closest geographic proximity to Depositor's USA headquarters in accordance with the Commercial Rules of the American Arbitration Association. The arbitrator shall apply North Carolina law without regard to choice of law provisions, except that in no event shall the North Carolina International Commercial Arbitration Act apply. Unless otherwise agreed by Depositor and Preferred Beneficiary, arbitration will take place in Raleigh, North Carolina, U.S.A., and the English language shall be used in the arbitral proceedings. Any court having jurisdiction over the matter may enter judgment on the award of the arbitrator. Service of a petition to confirm the arbitration award may be made by First Class mail or by commercial express mail, to the attorney for the party or, if unrepresented, to the party at the last known business address. If, however, Depositor and/or Preferred Beneficiary refuses to submit to arbitration, the matter shall not be submitted to arbitration and DSI may submit the matter to any court of competent jurisdiction for an interpleader or similar action. Unless adjudged otherwise, all costs of the arbitration incurred by the prevailing party and DSI, including reasonable attorney's fees and costs, shall be paid by the non-prevailing party.

7.5 **Controlling Law.** This Agreement is to be governed and construed in accordance with the laws of the State of North Carolina, without regard to its conflict of law provisions.

7.6   Notice of Requested Order. If any party intends to obtain an order from the arbitrator or any court of competent jurisdiction, which may direct DSI to take, or refrain from taking any action, that party shall:

    a.   Give DSI at least five (5) business days prior notice of the hearing;

    b.   Include in any such order that, as a precondition to DSI's obligation, DSI be paid in full for any past due fees, unless such fees are, at the time of the order, the subject of a dispute between DSI, the Depositor and/or Preferred Beneficiary, and be paid for the reasonable value of the services to be rendered pursuant to such order; and

    c.   Ensure that DSI not be required to deliver the original (as opposed to a copy) of the Deposit Materials if DSI may need to retain the original in its possession to fulfill any of its other duties.

ARTICLE 8 -- GENERAL PROVISIONS

8.1   Entire Agreement. This Agreement, which includes the Acceptance Form and Exhibits described herein, embodies the entire understanding among all of the parties with respect to its subject matter and supersedes all previous communications, representations or understandings, either oral or written. DSI is not a party to the License Agreement between Depositor and Preferred Beneficiary and has no knowledge of any of the terms or provisions of any such License Agreement. DSI's only obligations to Depositor or Preferred Beneficiary are as set forth in this Agreement. No amendment or modification of this Agreement shall be valid or binding unless signed by all the parties hereto, except that Exhibit A or B need not be signed by Preferred Beneficiary, Attachment 1 to the Acceptance Form need not be signed, and the Acceptance Form need only be signed by the parties identified therein.

8.2   Notices and Correspondence. All notices regarding Articles 4 and 5, and any Deposit Materials, shall be sent by commercial express or certified mail, return receipt requested. All other correspondence including invoices, payments and other documents and communications shall be sent First Class U.S. Mail and given to the parties at the addresses specified in the Exhibit B or Acceptance Form and Attachment 1 thereto. It shall be the responsibility of the parties to notify each other as provided in this Section in the event of a change of physical and e-mail addresses. The parties shall have the right to rely on the last known address of the other parties. Any correctly addressed notice or last known address of the other parties that is relied on herein that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified as provided herein shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities by mail, through messenger or commercial express delivery services.

8.3   Severability. In the event any provision of this Agreement is found to be invalid or unenforceable, the parties agree that unless it materially affects the entire intent and purpose of this Agreement, such invalidity or unenforceability shall affect neither the validity of this Agreement nor the remaining provisions herein, and the provision in question shall be deemed to be replaced with a valid and enforceable provision most closely reflecting the intent and purpose of the original provision.

8.4   Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties. However, DSI shall have no obligation in performing this Agreement to recognize any successor or assign of Depositor or Preferred Beneficiary unless DSI receives clear, authoritative and conclusive written evidence of the change of parties.

8.5   Waiver. Any term of this Agreement may be waived by the party entitled to the benefits thereof, provided that any such waiver must be in writing and signed by the party against whom the enforcement of the waiver is sought. No waiver of any condition, or breach of any provision of this Agreement, in any one or more instances, shall be deemed to be a further or continuing waiver of such condition or breach. Delay or failure to exercise any right or remedy shall not be deemed the waiver of that right or remedy.

8.6   Regulations. Depositor and Preferred Beneficiary are responsible for and warrant compliance with all applicable laws, rules and regulations, including but not limited to customs laws, import, export, and re-export laws and government regulations of any country from or to which the Deposit Materials may be delivered in accordance with the provisions of this Agreement.

8.7   Attorney's Fees. In any litigation or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks declaration of any rights or obligations under this Agreement (whether in contract, tort, or both), the prevailing party who has proven in court by court decree, judgment or arbitrator's determination that the other party has materially breached its representation and/or warranty under this Agreement shall be awarded reasonable attorneys' fees, together with any costs and expenses, to resolve the dispute and to enforce final judgment.

8.8   No Third Party Rights. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective permitted successors and assigns, and no other person or entity shall have or acquire any right by virtue of this Agreement unless otherwise agreed to by all the parties hereto.

8.9   Authority to Sign. Each of the Parties herein represents and warrants that the execution, delivery, and performance of this Agreement has been duly authorized and signed by a person who meets statutory or other binding approval to sign on behalf of its business organization as named in this Agreement. DSI will be able to perform its obligations under this agreement once DSI has received a fully executed agreement.

8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

SAS Institute Inc.

Depositor

By: _____

Name: _____
John G. Boswell
Corporate Secretary
SAS Institute Inc.

Title: _____

Date: April 6, 2004

DSI Technology Escrow Services, Inc.

By: _____

Name: FRANK A. BRUNO
REGIONAL SALES MANAGER

Title: _____

Date: 4/12/04

EXHIBIT B

DESIGNATED CONTACT

Deposit Account Number_____

Notices, deposit material returns and communications to <u>Depositor</u> should be addressed:	Notices and communications to <u>Preferred Beneficiary</u> should be addressed to:

Company Name: _____   Company Name: _____

Address: _____   Address: _____

_____   _____

_____

Designated Contact: _____   Designated Contact: _____

Telephone: _____   Telephone_____

Facsimile: _____   Facsimile: _____

E-mail: _____   E-mail:_____

Verification Contact: _____

Telephone/E-mail: _____

<u>Fees for this agreement will be paid by</u>

(Check box):   Depositor and/or   Preferred Beneficiary

Invoices to <u>Depositor</u> should be addressed to:	**Invoices to <u>Preferred Beneficiary</u> should be addressed to:**

Company Name: _____   Company Name: _____

Address: _____   Address: _____

_____

_____   _____

Billing Contact: _____   Billing Contact: _____

Telephone:_____   Telephone: _____

Facsimile: _____   Facsimile: _____

E-mail: _____   E-mail: _____

_____

P.O.# _____   P.O.#:

Requests from Depositor or Preferred Beneficiary to change the designated contact should be given in writing by the designated contact or an authorized employee of Depositor or Preferred Beneficiary.

Agreements, Deposit Materials and notices to DSI should be addressed to:	**All invoice fee remittances to DSI should be addressed to:**

DSI Technology Escrow Services, Inc.   DSI Technology Escrow Services, Inc.

Attn: Client Services   PO Box 27131

2100 Norcross Parkway, Suite 150   New York, NY 10087-7131

Norcross, GA 30071

Telephone: 770-239-9200

Facsimile: 770-239-9201   Date:_____

E-mail:

<u>DSIClientServices@ironmountain.com</u>*Ref.*

Sandra Heller/Anderson

EXHIBIT E

ADDITIONAL ESCROW ACCOUNT
TO MASTER PREFERRED ESCROW AGREEMENT

Depositor Company Number _____.

New Deposit Account Number _____

_____ ("Depositor") has entered into a Master Preferred Escrow Agreement with DSI Technology Escrow Services, Inc. ("DSI"). Pursuant to that Agreement, Depositor may deposit certain Deposit Materials with DSI.

Depositor desires that new Deposit Materials be held in a separate account and be maintained separately from the initial account. By execution of this Exhibit E, DSI will establish a separate account for the new Deposit Materials. The new account will be referenced by the following name: _____.

Depositor hereby agrees that all terms and conditions of the existing Master Preferred Escrow Agreement previously entered into by Depositor and DSI will govern this account. The termination or expiration of any other account of Depositor will not affect this account.

_____	DSI Technology Escrow Services, Inc.
Depositor	
By:_____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A

DESCRIPTION OF DEPOSIT MATERIALS

Depositor Company Name: _____(Required)

Deposit Account Number: _____ (leave blank if this is a new deposit account)

Product Name & Version: _____ (Required)

(Product Name will appear as the Exhibit B Name on Account History report)

DEPOSIT MATERIAL DESCRIPTION:

Quantity	Media Type	Size	Label Description of Each Separate Item
	Diskette	3.5" or _____	
	DAT Tape	_____ mm	
	CD-ROM		
	Data Cartridge		
	TK 70	or ____ tape	
	Magnetic tape		
	Documentation		
	Other		

PRODUCT DESCRIPTION:
Environment _____

DEPOSIT MATERIAL INFORMATION:
Is the media or are any of the files encrypted? Yes / No *(If yes, include any passwords and the decryption tools within your deposit)*

Encryption tool name_____ Version _____

Hardware required _____

Software required _____

Other required

information_____

I certify for **Depositor** that the above described Deposit Materials have been transmitted to DSI:	**DSI** has visually inspected and accepted the above materials *(any exceptions are noted above)*:
Signature_____	Signature _____
Print Name _____	Print Name_____
Date _____	Date Accepted _____
E-mail address _____	Exhibit B# _____

▲ IRON MOUNTAIN

AMENDMENT TO ESCROW SERVICE AGREEMENTS (the "Agreements")
by and between
IRON MOUNTAIN INTELLECTUAL PROPERTY MANAGEMENT, INC. ("IMIPM") and
"DEPOSITOR" and any other party agreeing to the terms of the Agreements (the "Amendment")

CUSTOMER NAME: SAS Institute Inc. ("DEPOSITOR")	Agreements: Effective date of March 26, 2001: Account numbers: 7547, 21638, 21640, 21644, 21645 and 28498 Effective date of April 15, 2004: Account numbers: 7547, 15948, 21644, 28498, 32160 and 34017 (Account number is for IMIPM reference only. The Amendment shall apply to all accounts governed by the Agreement)	COMPANY NUMBER 9398
Primary Contact: Bonnie Keith	E-mail: bonnie.keith@sas.com	
Street Address: 100 SAS Campus Drive, Building T	City: Cary State: NC Zip: 27513	...r. Address: 100 AS
Tel: (919) 531-7206	Fax:	...9 ...531-720...

This Amendment is hereby entered into by and between DEPOSITOR and Iron Mountain Intellectual Property Management, Inc. ("IMIPM").

WHEREAS, IMIPM and the DEPOSITOR entered into an agreement on the Agreement Effective Date; and,

WHEREAS, IMIPM requires the terms and conditions be amended as a condition of its renewal of the Agreement and these amended terms and conditions shall apply to any party enrolling to the Agreement hereafter;

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties herby agree to amend the terms and conditions of the Agreement as follows:

1. In the event the Agreement references Data Securities International, Inc. or DSI Technology Escrow Services, Inc. ("DSI") or Fort Knox or Source File as the escrow agent, all of whom are now known as Iron Mountain Intellectual Property Management, Inc. or IMIPM, all references in the Agreement, if any, to DSI, Fort Knox or Source File shall now be understood and agreed to refer to IMIPM.

2. The Agreement is hereby modified by deleting in its entirety any and all language referencing indemnification, if any, and adding the following:

   ### General Indemnity.
   Subject to Section 3 and 4 herein, each Party shall defend, indemnify and hold harmless the others, their corporate affiliates and their respective officers, directors, employees, and agents and their respective successors and assigns from and against any and all claims, losses, liabilities, damages, and expenses (including, without limitation, reasonable attorneys' fees), arising under this Agreement from the negligent or intentional acts or omissions of the indemnifying Party or its subcontractors, or the officers, directors, employees, agents, successors and assigns of any of them.

3. The Agreement is hereby modified by deleting in its entirety any and all language referencing limitation of liability, if any, and adding the following:
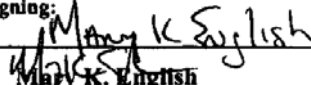
   ### Limitation of Liability.
   NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT , ALL LIABILITY, IF ANY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, OF ANY PARTY TO THIS AGREEMENT SHALL BE LIMITED TO THE AMOUNT EQUAL TO ONE YEAR OF FEES PAID OR OWED TO IRON MOUNTAIN UNDER THIS AGREEMENT. IF CLAIM OR LOSS IS MADE IN RELATION TO A SPECIFIC DEPOSIT OR DEPOSITS, SUCH LIABILITY SHALL BE LIMITED TO THE FEES RELATED SPECIFICALLY TO SUCH DEPOSITS. THIS LIMIT SHALL NOT APPLY TO ANY PARTY FOR: (I) ANY CLAIMS OF INFRINGEMENT OF ANY PATENT, COPYRIGHT, OR TRADEMARK; (II) LIABILITY FOR DEATH OR BODILY INJURY; (III) PROVEN THEFT; OR (IV) PROVEN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

4. The Agreement is hereby modified by deleting in its entirety any and all language referencing consequential or indirect damages, if any, and adding the following:

Consequential Damages Waiver.

IN NO EVENT SHALL ANY PARTY TO THIS AGREEMENT BE LIABLE TO ANOTHER PARTY FOR ANY INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR LOST DATA OR INFORMATION, ANY COSTS OR EXPENSES FOR THE PROCUREMENT OF SUBSTITUTE SERVICES, OR ANY OTHER INDIRECT DAMAGES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE EVEN IF THE POSSIBILITY THEREOF MAY BE KNOWN IN ADVANCE TO ONE OR MORE PARTIES. THIS WAIVER SHALL NOT APPLY TO ANY PARTY FOR (I) ANY CLAIMS OF INFRINGEMENT OF ANY PATENT, COPYRIGHT, OR TRADEMARK OR (II) LIABILITY FOR DEATH OR BODILY INJURY.

5. The Agreement is hereby modified by deleting in its entirety any and all language, if any, referencing the inspection of material received by Iron Mountain from Depositor to be stored with Iron Mountain under the Agreement ("Deposit Material") and adding the following;

IMIPM will conduct a visual deposit inspection upon receipt of any Deposit Material and associated Exhibit B and provide notice by electronic mail, telephone, or regular mail to the Depositor and Beneficiary of all Deposit Material that is accepted and deposited into the escrow account under this Agreement. If IMIPM determines that the Deposit Material does not match the description provided by Depositor represented in Exhibit B hereto, Iron Mountain will provide Depositor with notice by electronic mail, telephone, or regular mail of such discrepancies. IMIPM will work directly with the Depositor to resolve any such discrepancies prior to accepting Deposit Material. OTHER THAN IMIPM'S INSPECTION OF THE DEPOSIT MATERIALS, AS DESCRIBED ABOVE, IMIPM SHALL HAVE NO OBLIGATION REGARDING THE ACCURACY, COMPLETENESS, FUNCTIONALITY, PERFORMANCE OR NON-PERFORMANCE OF THE DEPOSIT MATERIALS.

6. The Agreement is hereby modified by deleting in its entirety any and all language, if any, referencing Iron Mountain providing status reports or updates of escrow account activity and replacing it with the following:

IMIPM shall provide to Depositor and Beneficiary access to the Iron Mountain real-time, on-line portal to view data and documentation relative to this Agreement. Upon request, IMIPM will provide ad hoc status reports to Depositor and Beneficiary.

7. In the event that any terms and conditions contained herein are in conflict with the terms and conditions set forth in the Agreement, the terms and conditions set forth in this Amendment shall be deemed to be the controlling terms and conditions.

8. All other terms and conditions of the Agreement remain unchanged and are in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. The last date noted on the signature blocks of this Amendment shall be the Amendment Effective Date.

IN WITNESS WHEREOF, each of the undersigned has executed this Amendment or caused this Amendment to be duly executed on its behalf as of the Amendment Effective Date.

"DEPOSITOR"	IRON MOUNTAIN INTELLECTUAL PROPERTY MANAGEMENT, INC.
Individual Signing: [print name] **§.sas** Patricia L. Brown Deputy General Counsel SAS Institute Inc.	Individual Signing: [print name] *Mary K English*
Signature: *Patricia L. Brown*	Signature: *Mary K. English* Director of Operations
Title:	Title:
Signing Date: **MAR 0 4 2009**	Signing Date: 3/12/09
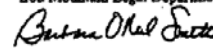
Approved as to Form and Legal Content:
Iron Mountain Legal Department

Barbara O'Neil Smith

Barbara O'Neil Smith, Senior Contracts Specialist
Date: January 27, 2009

EXHIBIT P

REQUEST FOR PROPOSALS (RFP)

[INCORPORATED BY REFERENCE]

[NOTICE TO RFP PROPOSERS: Exhibit P to the resultant Agreement shall incorporate by reference this RFP including all Addenda and other modifications thereto.]

EXHIBIT Q

CONTRACTOR'S RESPONSE TO RFP (PROPOSAL)

[INCORPORATED BY REFERENCE]

[NOTICE TO RFP PROPOSERS: Exhibit Q to the resultant Agreement shall incorporate by reference the proposal of the selected Contractor submitted in response to this RFP.]